

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: U-01194-A-ST	6. SURFACE: State
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT	
3. ADDRESS OF OPERATOR: P.O. Box 1148 CITY Vernal STATE UT ZIP 84078		9. WELL NAME and NUMBER: NBU 439	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 345' FNL & 1687' FWL AT PROPOSED PRODUCING ZONE:		10. FIELD AND POOL, OR WILDCAT: Natural Buttes	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16 Miles East of Ouray, UT		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 9S 21E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 345'	16. NUMBER OF ACRES IN LEASE: 652.39	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Refer to Topo C	19. PROPOSED DEPTH: 8,400	20. BOND DESCRIPTION: 400JU0705	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4988 GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: 10 Days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11-12 1/4	8 5/8 or 9 5/8	250	Refer to 10 pt program
7 7/8	4 1/2 or 5 1/2	8,400	Refer to 10 pt program

**CONFIDENTIAL**

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

**RECEIVED**

NAME (PLEASE PRINT) Cheryl Cameron	TITLE Operations	NOV 22 2002
SIGNATURE <i>Cheryl Cameron</i>	DATE 11/18/2002	DIVISION OF

OIL, GAS AND MINING

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34786

APPROVAL:

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 01-29-03  
By: *[Signature]*

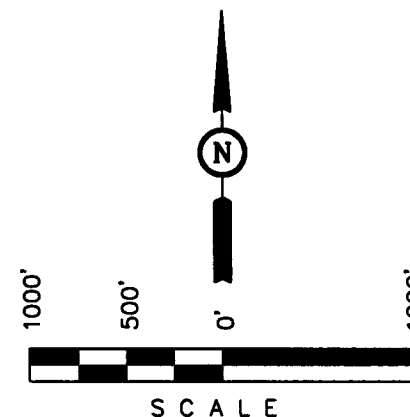
**T9S, R21E, S.L.B.&M.**

**EL PASO  
PRODUCTION OIL & GAS COMPANY**

Well location, NBU #439, located as shown in the NE 1/4 NW 1/4 of Section 34, T9S, R21E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



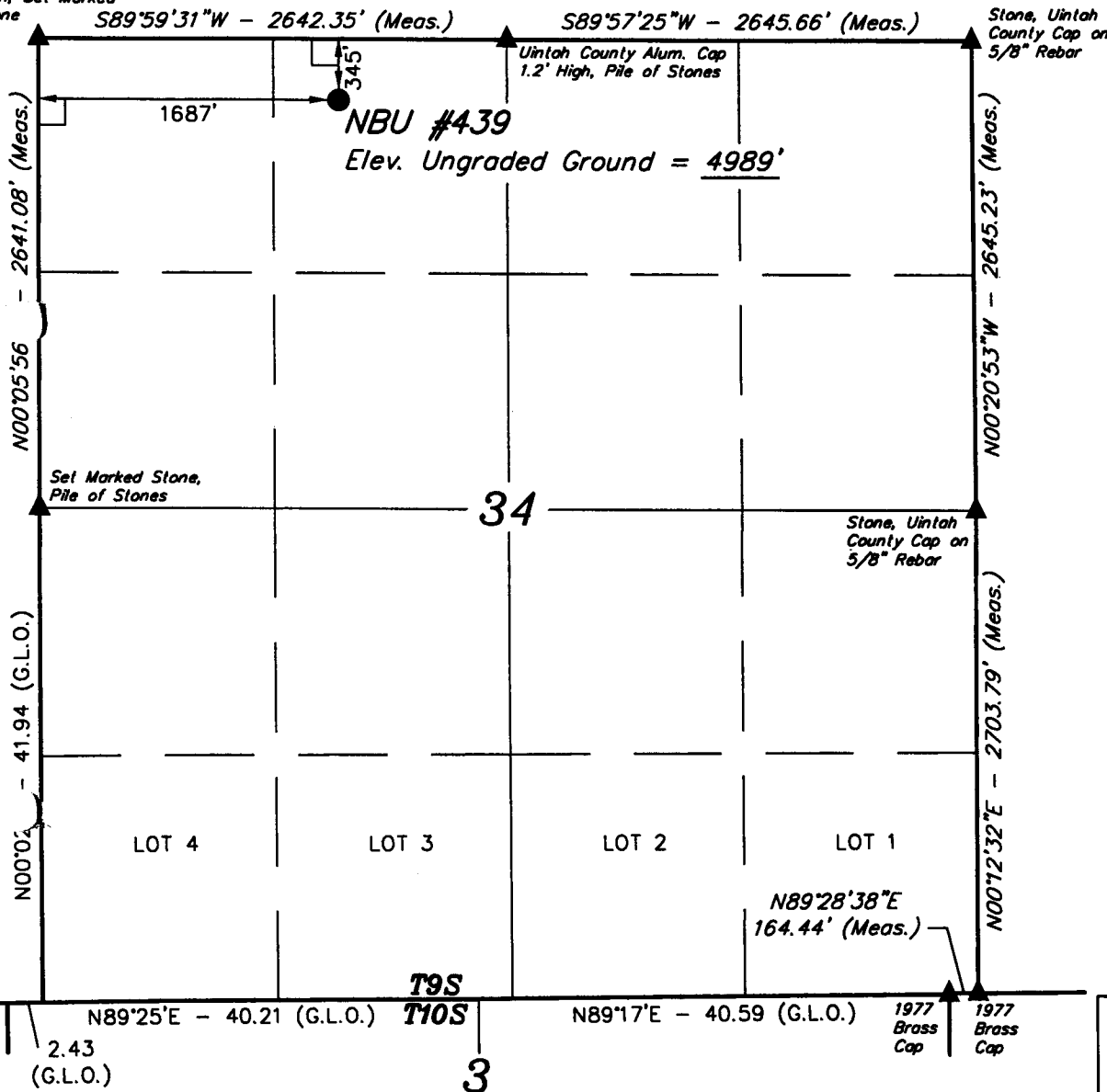
**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert L. Hay*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 1-2-02	DATE DRAWN: 1-7-02
PARTY G.S. K.S. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EL PASO PRODUCTION OIL & GAS COMPANY	



**BASIS OF BEARINGS**

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LATITUDE = 39°59'56"  
LONGITUDE = 109°32'28"

**LEGEND:**

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

NBU 439  
NENW Sec. 34, T9S, R21E  
Uintah County, UT  
U-01194-A-ST

**EL PASO PRODUCTION COMPANY**  
**DRILLING PROGRAM**

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
KB	5005'
Wasatch	4810'
Mesaverde	7600'
Total Depth	8400'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Wasatch	4810'
Gas	Mesaverde	7600'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 psi double ram, and one 11' drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure rating.

The hydrill will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 3,000 psi.

4. **Proposed Casing Program:** See Summary dated 1/16/03

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt/ft</u>	<u>Grade</u>	<u>Type</u>
Surface	0-250'	11" or 12 1/4"	8 5/8" or 9 5/8"	24#, 32.3#, 36#, or 40#	K-55, H-40, or J-55	ST&C
Production	0-TD	7 7/8"	4 1/2" or 5 1/2"	11.6#	N-80	LT&C

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation that will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing. If drive pipe is used, it may be left in place if its total length is less than twenty feet below the surface. If the total length of the drive pipe is equal to or greater than twenty feet, it will be pulled prior to cementing surface casing, or it will be cemented in place.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

Maximum anticipated bottom hole pressure calculated @ 8400 TD approximately equals 3360 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1512 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

All casing strings below the conductor shall be pressure tested to 0.22 psi/foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

**Casing design is subject to revision based on geologic conditions encountered.**

**Proposed Cementing Program:** See sundry dated 1/10/03

<u>Surface</u>	<u>Fill</u>	<u>Type &amp; Amount</u>
0-250'	250'	A minimum of 85 sx Class "G" + 2% CaCl <sub>2</sub> , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess)

<u>Production</u>	<u>Type &amp; Amount</u>
200' above the top-most resource interval	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 or 12 ppg, 2.69 cf/sx
TD-500' above productive internal	Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg, or RFC, 14.0 – 14.5 ppg, 1.57 cf/sx.

For production casing, actual cement volumes will be determined from the calculated hole volume + 60% excess, minimum. Cement volumes will include an amount sufficient to circulate to surface, if possible. Operator will continue to attempt to circulate cement to surface, but at a minimum, circulation will be 200' above the top of the Green River Formation, or as directed by the Authorized Officer (AO) or Acting, or as specified in the Conditions of Approval (COA) in the Application for Permit to Drill (APD).

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Division of Oil, Gas, and Mining (DOGM) Office shall be notified, with sufficient lead time, in order to have a DOGM representative on location while running all casing strings and cementing.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, The casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

**Auxiliary Well Control Equipment to Be Used:**

Kelly Cock

A sub with a full opening (TIW) valve having threads compatible with drill string tubulars.

**5. Drilling Fluids Program:**

**WASATCH**

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0-TD	Air/Air Mist/Aerated Water/Water (as hole conditions Warrant) Displace Hole to 10 ppg brine mud, prior to logging.	8.4 ppg or less

## MESAVERDE

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0-TD	Air/Air Mist/Aerated Water/Water (as hole conditions warrant) Depending on hole conditions, the hole will be displaced to either 10 ppg brine or drilling mud prior to logging. If hole conditions warrant, a mud system will be used.	8.4 ppg or less

No chromate additives will be used in the mud system prior to approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well.

### 6. Evaluation Program:

The Evaluation Program may change at the discretion of the well site geologist with approval by The Authorized Officer.

#### **Cased Hole Logs Only**

GR/Dipole Sonic/Neutron: TD-500' above the Wasatch Formation  
(to surface at times)

Drill Stem Tests: As deemed necessary

Cores: As deemed necessary

When cement has not been circulated to surface, the cement top will be determined by Either a temperature survey or cement bond log. Should a temperature survey fail to Locate the cement top, a cement bond log shall be run.

#### **Open Hole Logs**

PEX: From TD - Surface

### 7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth.

### 8. Variances:

Operator requests approval to perform drilling operations without an automatic igniter because drilling will be performed with an air/mist medium.

9. **Other Information:**

All loading lines will be placed inside the berm surrounding the tank battery.

10. **Anticipated Starting Dates & Notification of Operations:**

Anticipated commencement date shall be upon approval of the proposed APD.

Drilling Days:                      Approximately 10 days

Completion Days:                Approximately 7 days

**NBU 439  
NENW Sec. 34, T9S, R21E  
Uintah County, UT  
U-01194-A-ST**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to the attached directions to the proposed location site.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

***Improvements to existing access roads shall be determined at the on-site inspection.***

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

**2. Planned Access Roads:**

Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, ***unless modified at the on-site inspection.*** Appropriate water control will be installed to control erosion.

***Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.***

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

**3. Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities**

*The following guidelines will apply if the well is productive.*



All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon (2.5Y 6/2).

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Refer to Topo Map D for the proposed pipeline placement.

**5. Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**6. Source of Construction Materials**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. *The need for a reserve pit liner will be determined at the on-site inspection.*

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

*Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.*

8. **Ancillary Facilities**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). ***This section is subject to modification as a result of the on-site inspection.***

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

If it is determined that a pit liner will be used at the on-site inspection, the reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile (s), and surface material stockpile(s).

#### 10. **Plans for Reclamation of the Surface:**

##### *Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic, nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

##### *Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of

irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

**11. Surface Ownership:**

State of Utah  
SITLA  
675 East 500 South  
Salt Lake City, UT 84102-2818

**12. Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been conducted. A copy of this report is attached.

This proposed location is not within 460 feet from the boundary of the Natural Buttes Unit, nor is it within 460 feet of any non-committed tract lying within the boundaries of the Unit.

**13. Lessee's or Operators's Representative & Certification:**

Cheryl Cameron  
Regulatory Analyst  
El Paso Production Company  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Scott Palmer  
Drilling Manager  
El Paso Production Company  
9 Greenway Plaza  
Houston, TX 77046  
(832) 676-3391


Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

El Paso Production Company is considered to be the operator of the subject well. El Paso Production Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by El Paso Production Company, State Bond No. 400JU0705.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
Cheryl Cameron

11/18/02  
Date

# EL PASO PRODUCTION OIL & GAS COMPANY

NBU #439

## SECTION 34, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 250' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 50' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL TO THE PROPOSED LOCATION IS APPROXIMATELY 47.0 MILES.

**ORIGINAL**

**CULTURAL RESOURCE INVENTORY OF  
EL PASO PRODUCTION'S SEVEN WELL  
LOCATIONS IN NATURAL BUTTES,  
UINTAH COUNTY, UTAH**

**Keith R. Montgomery**

**Prepared For:**

**Bureau of Land Management  
(Vernal Field Office)  
and  
State of Utah  
School and Institutional Trust Land Administration**

**Prepared Under Contract With:**

**El Paso Production Oil and Gas Company  
1368 South 1200 East  
Vernal, Utah 84078**

**Prepared By:**

**Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532**

**MOAC Report No. 02-42**

**March 26, 2002**

**United States Department of Interior (FLPMA)  
Permit No. 01-UT-60122**

**State of Utah Antiquities Project (Survey)  
Permit No. U-02-MQ-0124b,s**

**RECEIVED**

**NOV 22 2002**

**DIVISION OF  
OIL, GAS AND MINING**

## INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in March 2002 for El Paso Production Oil and Gas Company's seven proposed well locations. The proposed well locations with access and pipeline corridors are situated in the Natural Buttes area, southeast of Ouray, Utah (Figures 1, 2, and 3). The survey was implemented at the request of Mr. Carroll Estes, El Paso Production Oil and Gas Company, Vernal, Utah. The project is situated on land administered by the Bureau of Land Management (BLM), Vernal Field Office, and by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 20, 21, and 22, 2002 by Keith R. Montgomery, (Principal Investigator). The project was initiated under the auspices of U.S.D.I. (FLPMA) Permit No. 01-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-02-MQ-0124b,s issued to MOAC.

A file search was performed by Keith Montgomery at the BLM Vernal Field Office on March 5, 2002. This consultation indicated that several archaeological inventories have been completed in or near the project area. In 1979, Archaeological-Environmental Research Corporation (AERC) conducted a survey of sample areas within the Natural Buttes oil and gas field for the BLM (Hauck, et.al. 1979). The survey resulted in the discovery of 20 sites, 18 of which were prehistoric, and 10 isolated finds of artifacts. One of the sites (42UN660) occurs near proposed well location NBU #436, and consists of a prehistoric temporary camp with a variety of tools and some artifacts indicating a small historic component. None of the sites found by AERC are located immediately within the project areas. In 1981, Brigham Young University completed the Magic Circle Cottonwood Wash inventory (Thompson 1981). None of the sites documented in this study occur within the current project area. In 1981, BYU also completed an inventory for the TOSCO Corporation shale oil recovery plant and facilities (Nielson 1981). None of the sites documented are in or near the project areas. In 1991, Metcalf Archaeological Consultants (MAC) inventoried eighteen Natural Butte well locations for Coastal Oil and Gas (O'Brian, et. al. 1991). None of the cultural resources inventoried occur near or within the current project areas. Metcalf Archaeological Consultants surveyed a number of well locations for Coastal Oil & Gas Corporation in 1997 (Spath 1997), none of which are in the current project areas. In 2001 and 2002, Montgomery Archaeological Consultants inventoried



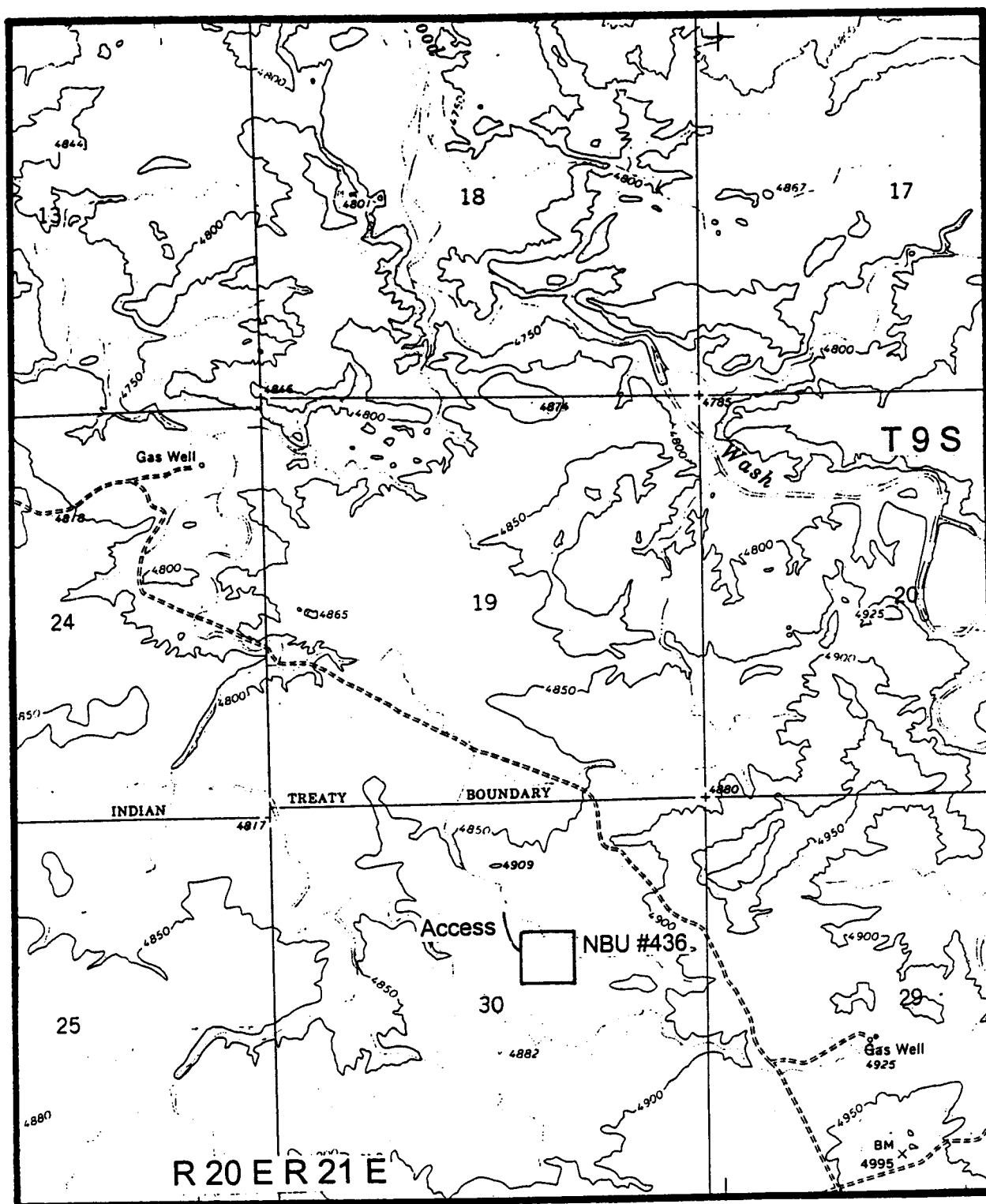


Figure 1. Inventory Area of El Paso Production Oil and Gas Company's NBU #436 Well Location. USGS 7.5' Ouray SE, Utah 1964. Scale 1:24000.

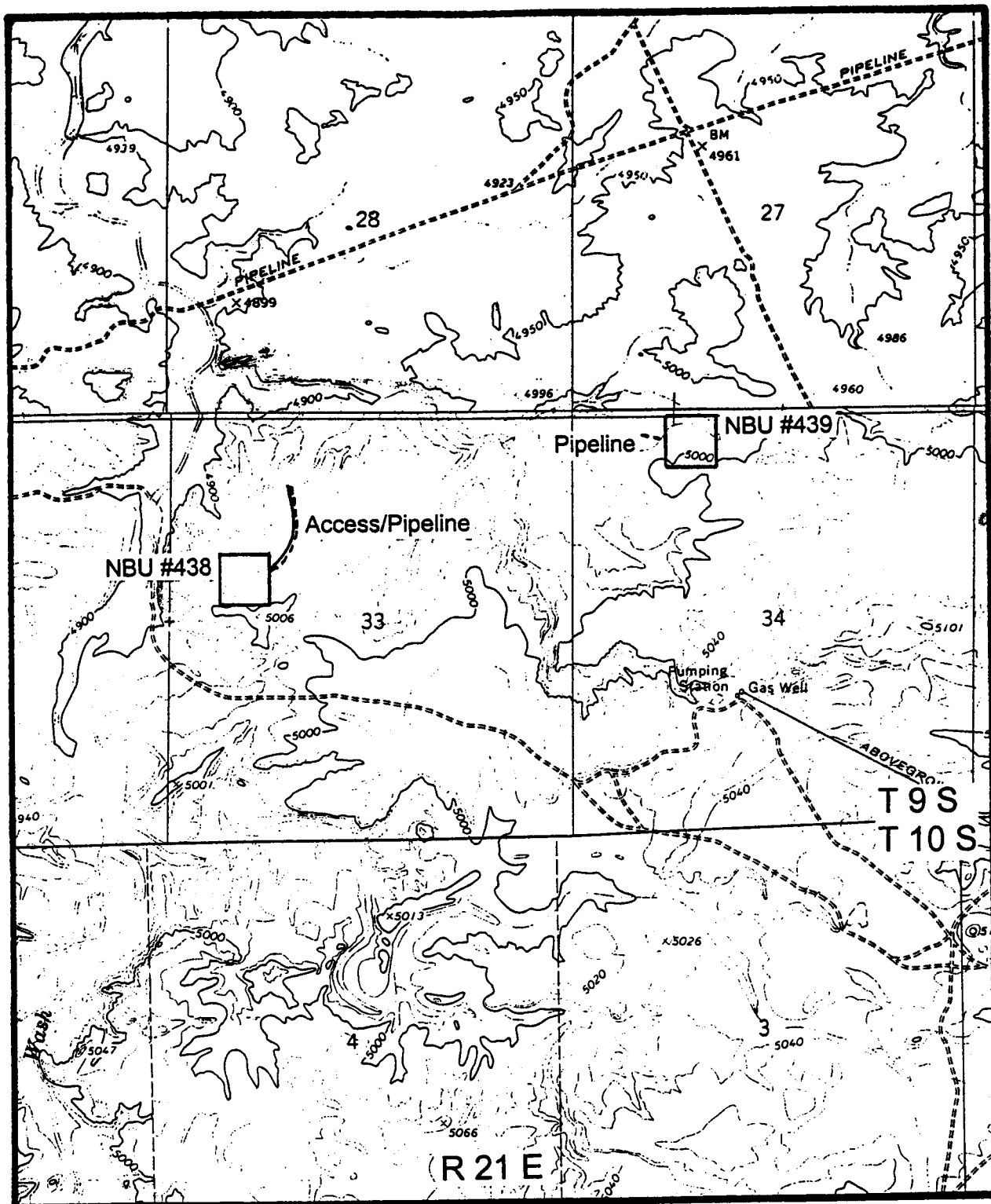


Figure 2. Inventory Area of El Paso Production Oil and Gas Company's NBU #438 and NBU #439 Well Locations. USGS 7.5' Ouray SE, Utah 1964 and Big Pack Mtn. NE, Utah 1987. Scale 1:24000.

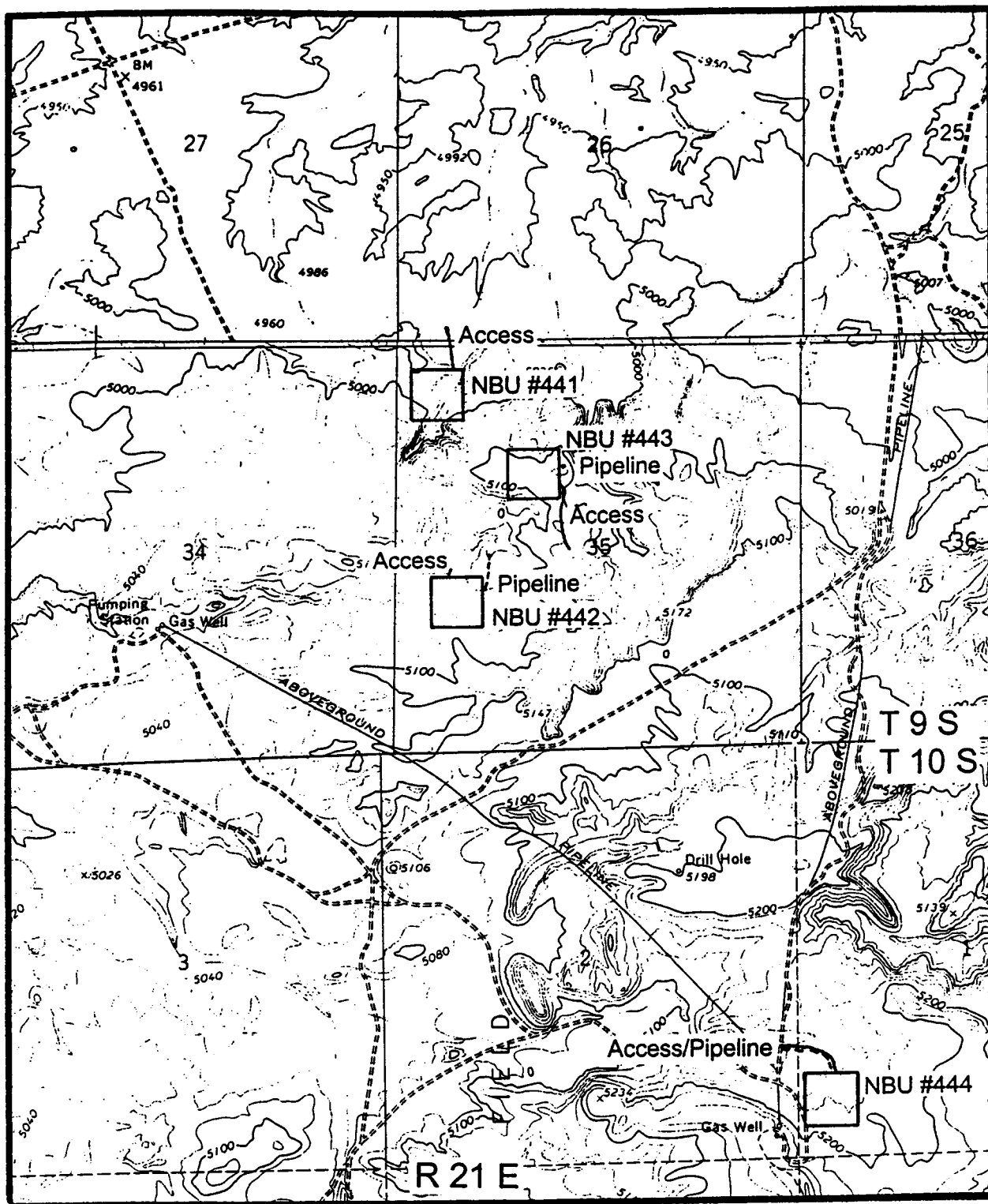


Figure 3. Inventory Area of El Paso Production Oil and Gas Company's NBU #441, NBU #442, NBU #443 and NBU #444 Well Locations. USGS 7.5' Ouray SE, Utah 1964 and Big Pack Mtn. NE, Utah 1987. Scale 1:24000.

35 El Paso Production's well locations in the Natural Buttes area (Montgomery 2001a, 2001b, 2001c, 2001d, 2002; Montgomery and Ball 2001). No archaeological sites have been documented in the immediate project areas in any of these previous inventories.

### DESCRIPTION OF PROJECT AREA

The seven proposed El Paso Production well locations, access and pipeline corridors are situated in the Natural Buttes Field, southeast of Ouray, Utah (Table 1). The legal description is T 9S, R 21E, Sections 26, 30, 33, 34 and 35 and T 10S, R 21E, Sections 1 and 2 (USGS 7.5' Ouray SE Quadrangle; USGS 7.5' Big Pack Mtn. NE Quadrangle).

Table 1. El Paso Production's Natural Butte Seven Well Locations

Well Location Designation	Legal Location	Location at Surface	Access/Pipeline	Cultural Resources
NBU #436	T 9S, R 21E, Sec. 30	2080' FNL 2125' FEL	Access 600'	None
NBU #438	T 9S, R 21E, Sec. 33	2133' FNL 986' FWL	Access/Pipeline 1200'	None
NBU #439	T 9S, R 21E, Sec. 34	345' FNL 1687' FWL	Pipeline 300'	None
NBU #441	T 9S, R 21E, Sec. 26 and 35	612' FNL 506" FWL	Access 600'	None
NBU #442	T 9S, R 21E, Sec. 35	1964' FSL 815' FWL	Access 100' Pipeline 500'	None
NBU #443	T 9S, R 21E, Sec. 35	1679' FNL 1741" FWL	Access 900' Pipeline 50'	None
NBU #444	T 10S, R 21E, Sec. 1 and 2	704' FSL 460' FWL	Access/Pipeline 900'	None

### Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities. Specifically, the project area occurs on the east and west sides

of Cottonwood Wash on the valley floors which are interspersed by flat topped buttes and narrow steep-sided ridges. The area is heavily dissected and carved by ephemeral drainages. The surface geology consists of hard pan residual soil armored with shale and sandstone pebbles as well as some sand shadows. The elevation averages 5200 feet a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes shadscale, greasewood, mat saltbrush, snakeweed, rabbitbrush, prickly pear cactus, Indian ricegrass and non-native plants and grasses. Modern disturbances include roads, and oil/gas development.

## **SURVEY METHODOLOGY**

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the proposed well locations, a ten acre area centered on the center stake of the location was surveyed by the archaeologists walking parallel transects spaced no more than 30 feet apart. The access and pipeline corridors were 100 feet wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. A wider corridor (150 foot) was inspected when access/pipeline routes shared a corridor. Ground visibility was considered to be good. A total of 84.23 acres was inventoried, 24.48 on BLM (Vernal Field Office) administered land and 59.75 on State of Utah SITLA land.

## **RESULTS AND RECOMMENDATIONS**

The inventory of the seven proposed El Paso Production Oil and Gas Company well locations resulted in the location of no archaeological resources. Based on the findings, a determination of "no historic properties affected" is recommended for this undertaking pursuant to Section 106, CFR 800.

## REFERENCES CITED

- Hauck, F. R., D. G. Weder, and S. Kennette  
1979 Final Report on the Natural Buttes Cultural Mitigation Study. Archaeological-Environmental Research Corporation, Salt Lake City, Utah. Project No. U-78-AF-0348b. On file at the BLM Vernal Field Office.
- Montgomery, K.R.  
2001a Cultural Resource Inventory of El Paso Production's NBU #407 and NBU #408 well locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0455b,s. On file at the Utah Division of State History.
- 2001b Cultural Resource Inventory of El Paso Production's Natural Buttes 10 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0532b. On file at the BLM Vernal Field Office.
- 2001c Cultural Resource Inventory of El Paso Production's Natural Buttes 11 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0738b. On file at the BLM Vernal Field Office.
- 2001d Cultural Resource Inventory of El Paso Production's Natural Buttes 8 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0723b. On file at the BLM Vernal Field Office.
- 2002 Cultural Resource Inventory of El Paso Production's Well Locations NBU #428, NBU #440 and CIGE #285, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-02-MQ-0108b. On file at the BLM Vernal Field Office.
- Montgomery, K.R. and Ball, S.  
2001 Cultural Resource Inventory of El Paso Production Oil and Gas Company's NBU #385 Well Location, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0507s. On file at the Utah Division of State History.
- Nielson, A. S.  
1981 Cultural Resource Inventory of the TOSCO Corporation Sand Wash Project in Uintah County, Utah. Brigham Young University, Cultural Resource Service Management, Provo, UT. Project No. U-81-BC-0721b. On file at the Utah Division of State History.
- O'Brian, P.K., P.M. Lubinski, and J.M. Scott  
1991 Cultural Resources Inventory for 18 proposed Coastal Oil & Gas Well and Access Locations on State of Utah Lands, Uintah County, Utah. Metcalf Archaeological Consultants, Eagle, CO. Project No. U-91-MM-044s. On file at the Utah State Division of History.

Spath, C.  
1997

Coastal Oil and Gas Corporation's Proposed CIGE #s 203, 210, 212, 220 and NBU #272 Well Pads, Pipelines and Access, Section 34, T9S, R21E, Sections 31 and 34, T9S, R22E, Section 16, T10S, R21E, and Section 11, T10S, R22E, Uintah County, Utah. Metcalf Archaeological Consultants, Eagle, CO. Project No. U-97-MM-0120s. On file at the BLM Vernal Field Office.

Stokes, W.L.  
1986

*Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

Thompson, C.  
1981

Cultural Resource Inventory of the Magic Circle Cottonwood Wash Project, Uintah County, Utah. Brigham Young University, Cultural Resource Service Management, Provo, UT. Project No. U-81-BC-686. On file at the Utah Division of State History.

# EL PASO PRODUCTION OIL & GAS COMPANY

**NBU #439**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 34, T9S, R21E, S.L.B.&M.

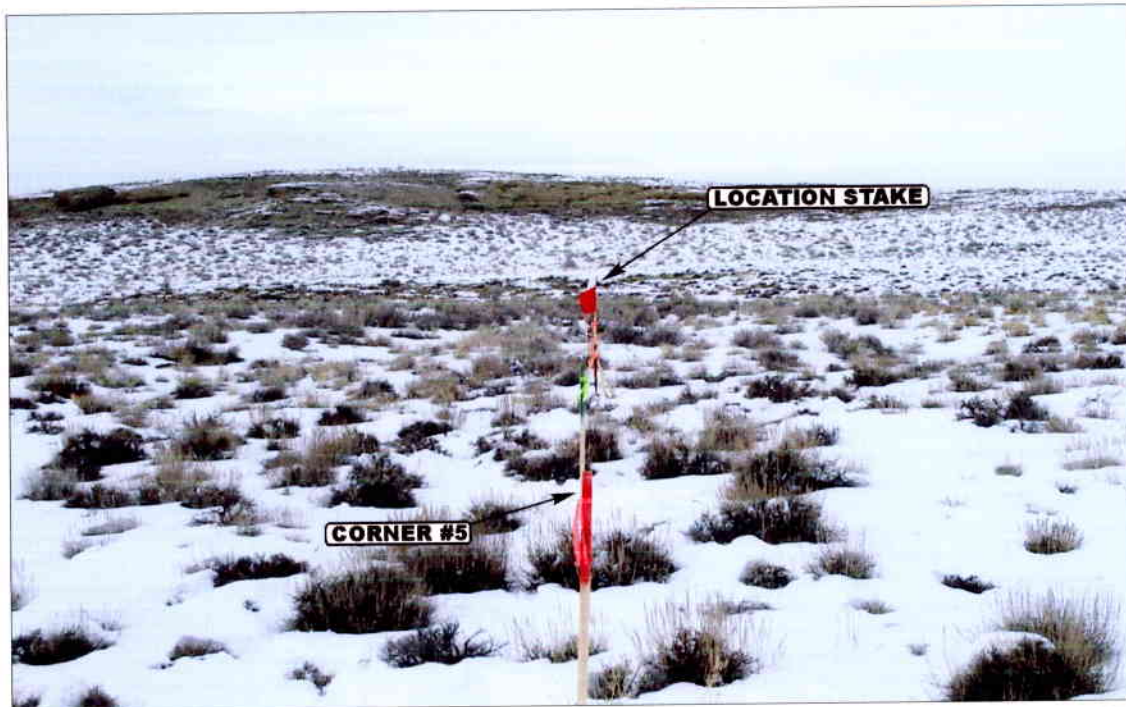


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY



- Since 1964 -

**UELS**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**1** **4** **02**  
MONTH DAY YEAR

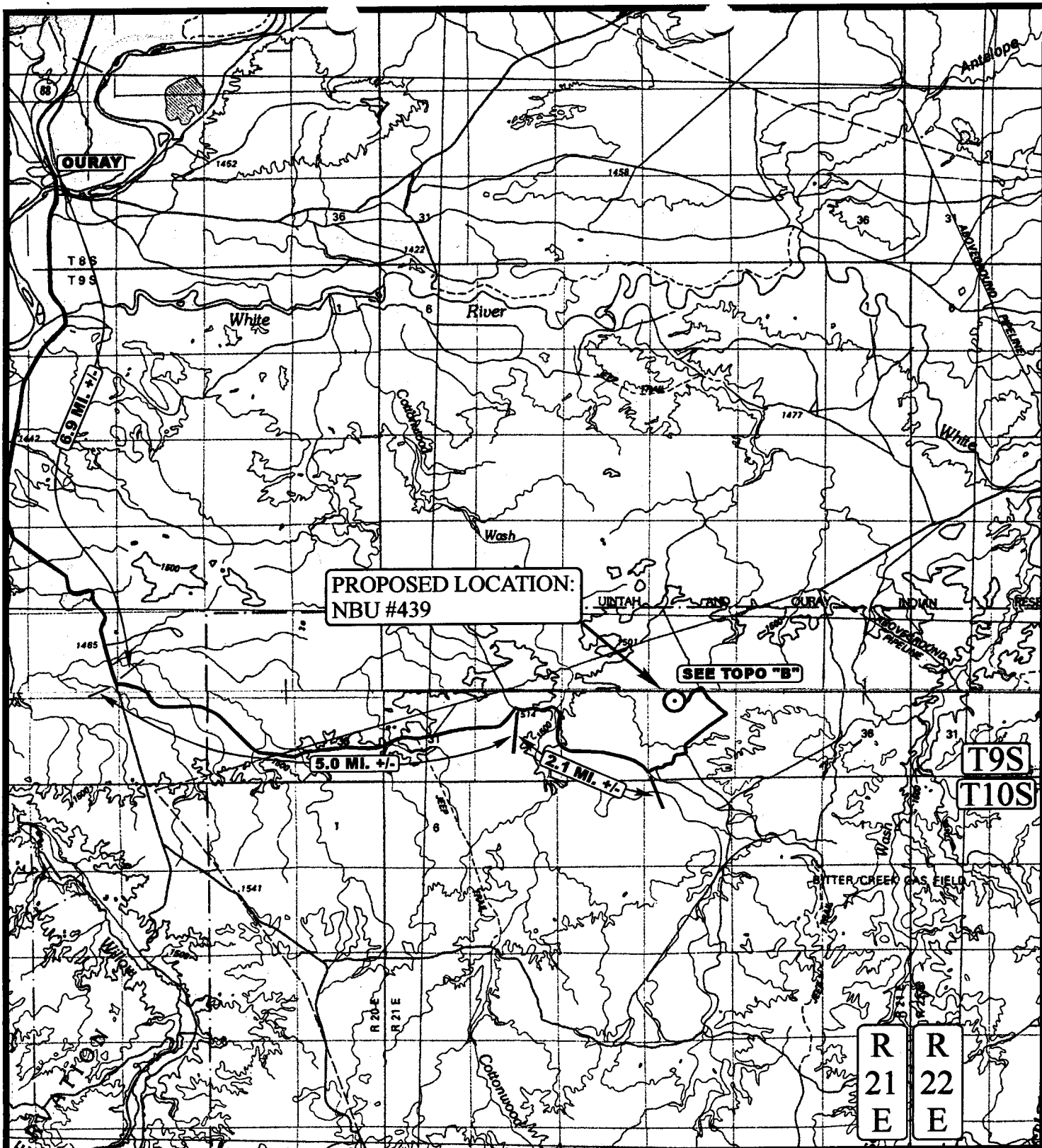
TAKEN BY: G.S.

DRAWN BY: J.L.G.

REVISED: 00-00-00

**PHOTO**





# LEGEND:

⊙ PROPOSED LOCATION



EL PASO PRODUCTION OIL & GAS COMPANY

NBU #439

SECTION 34, T9S, R21E, S.L.B.&M.

345' FNL 1687' FWL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

1	4	02
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00

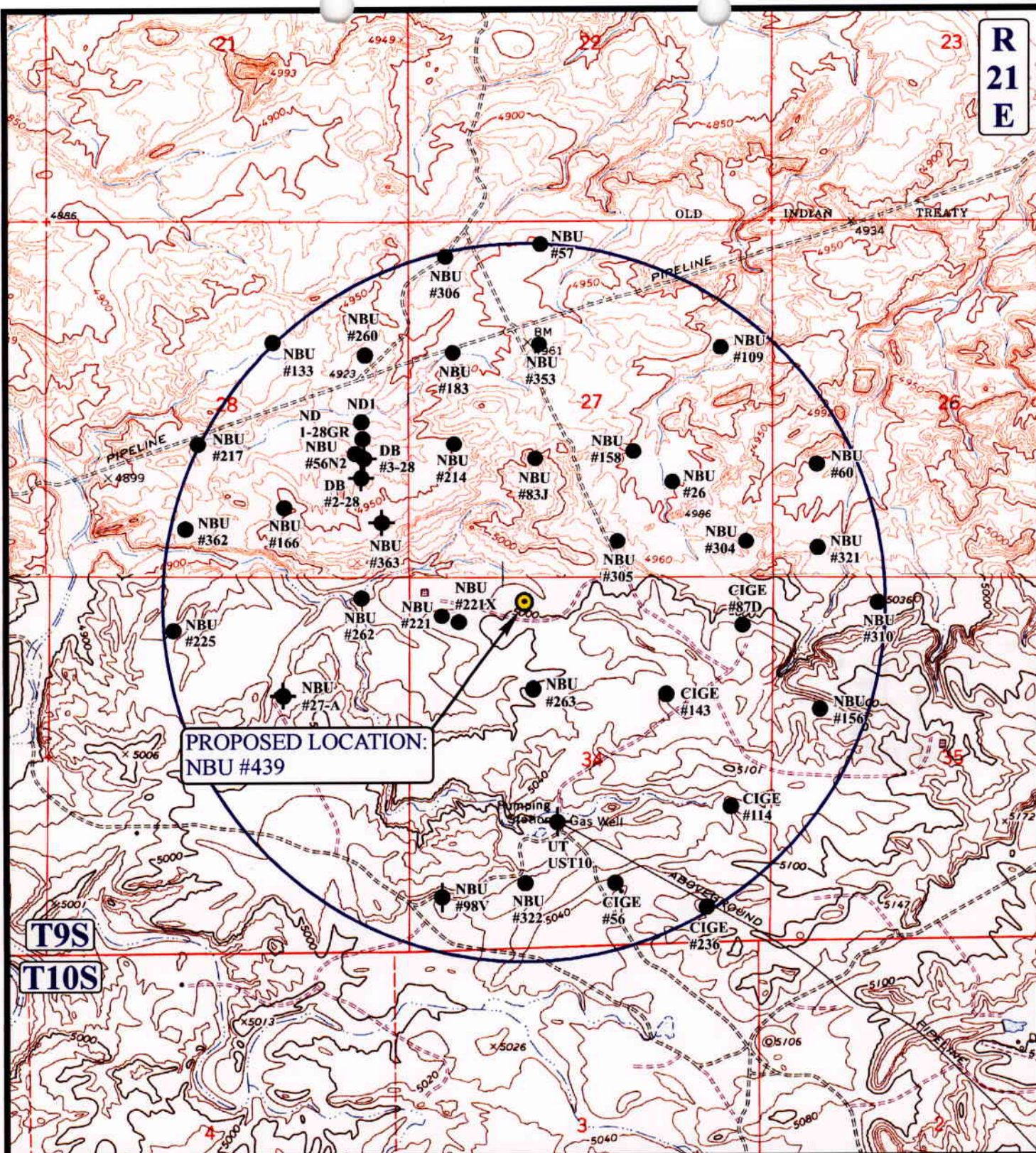
A  
TOPO









[illegible]В  
ГОРО

DRAWN BY: J.L.G. REVISED: 00-00-00



R  
21  
E

### LEGEND:

- |   |   |
|---|---|
|  DISPOSAL WELLS  |  WATER WELLS           |
|  PRODUCING WELLS |  ABANDONED WELLS       |
|  SHUT IN WELLS   |  TEMPORARILY ABANDONED |

**EL PASO PRODUCTION OIL & GAS COMPANY**

**NBU #439**

**SECTION 34, T9S, R21E, S.L.B.&M.**

**345' FNL 1687' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



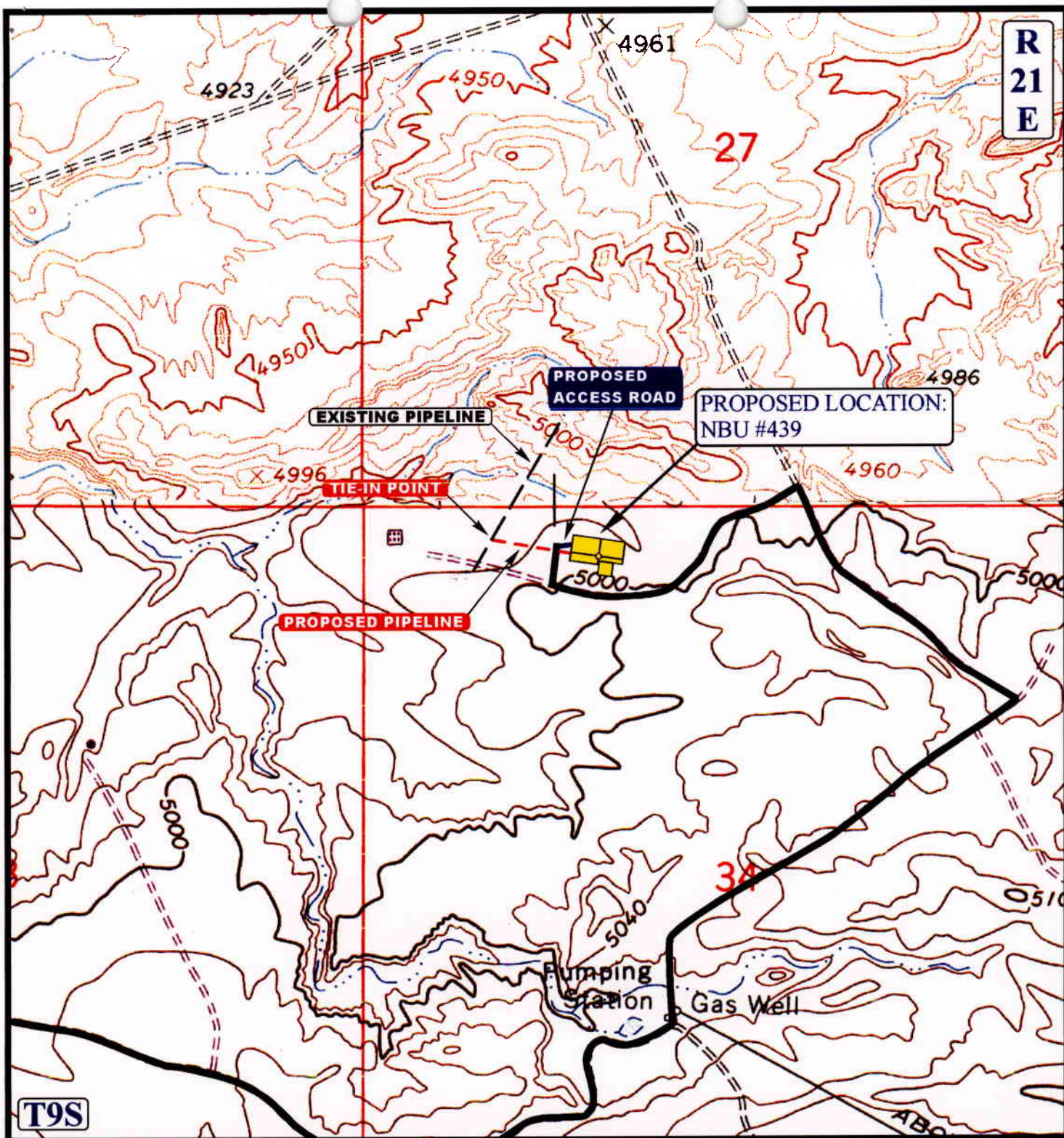
TOPOGRAPHIC  
MAP

<b>1</b>	<b>4</b>	<b>02</b>
<b>MONTH</b>	<b>DAY</b>	<b>YEAR</b>

SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00
-------------------	------------------	-------------------

C  
TOPO





**APPROXIMATE TOTAL PIPELINE DISTANCE = 500' +/-**

**LEGEND:**

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



**EL PASO PRODUCTION OIL & GAS COMPANY**

**NBU #439**

**SECTION 34, T9S, R21E, S.L.B.&M.**

**345' FNL 1687' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**1 4 02**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00

**D  
TOPO**

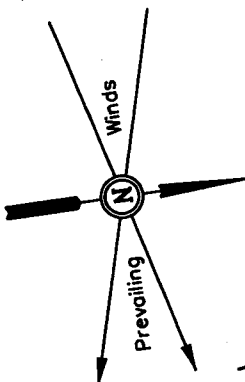
# EL PASO PRODUCTION OIL & GAS COMPANY

## LOCATION LAYOUT FOR

NBU #439

SECTION 34, T9S, R21E, S.L.B.&M.

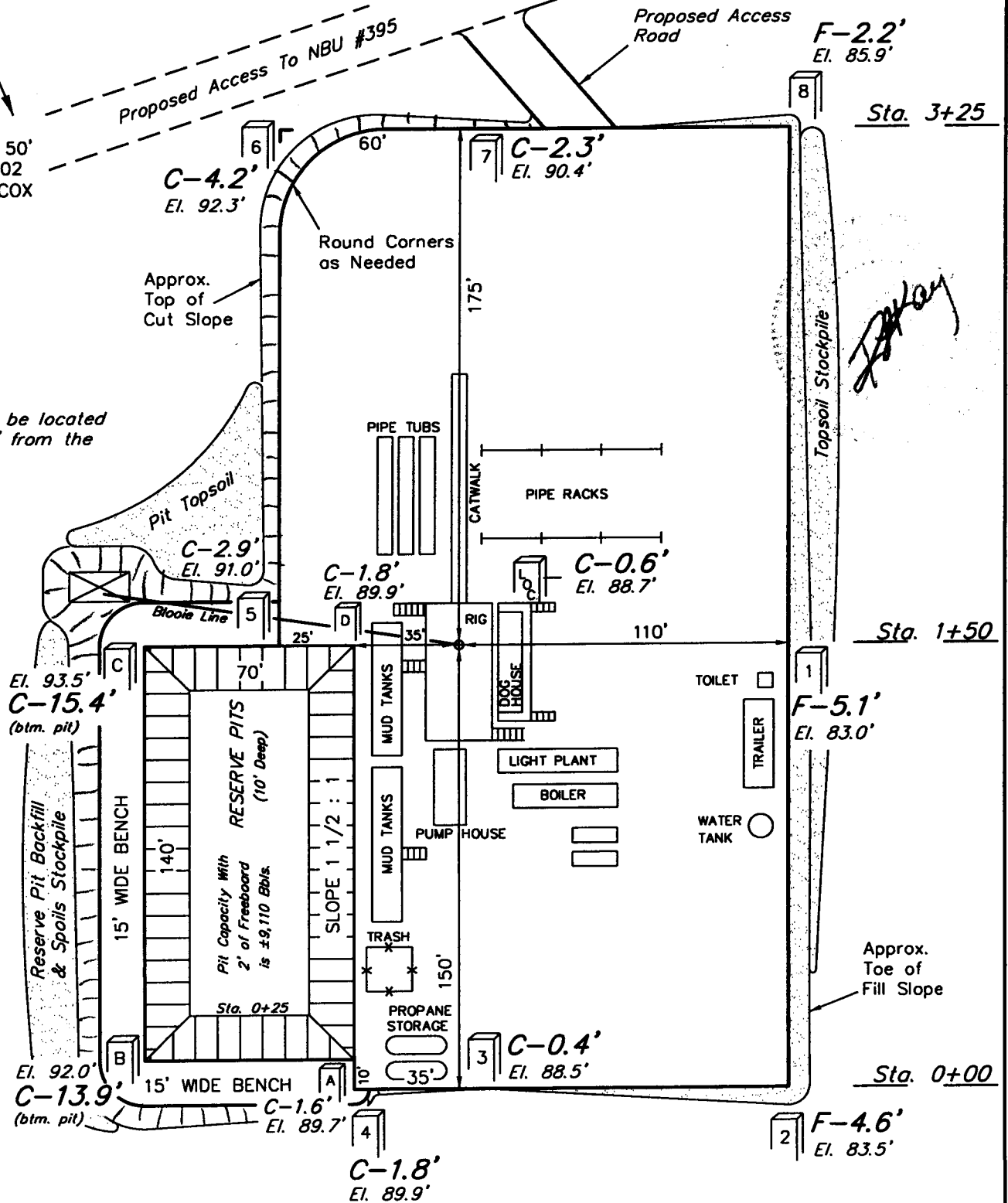
345' FNL 1687' FWL



SCALE: 1" = 50'  
DATE: 1-7-02  
Drawn By: D.COX

### NOTE:

Flare Pit is to be located  
a min. of 100' from the  
Well Head.



### NOTES:

Elev. Ungraded Ground At Loc. Stake = **4988.7'**  
FINISHED GRADE ELEV. AT LOC. STAKE = **4988.1'**

**FIGURE #1**

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

# EL PASO PRODUCTION OIL & GAS COMPANY

## TYPICAL CROSS SECTIONS FOR

NBU #439

SECTION 34, T9S, R21E, S.L.B.&M.

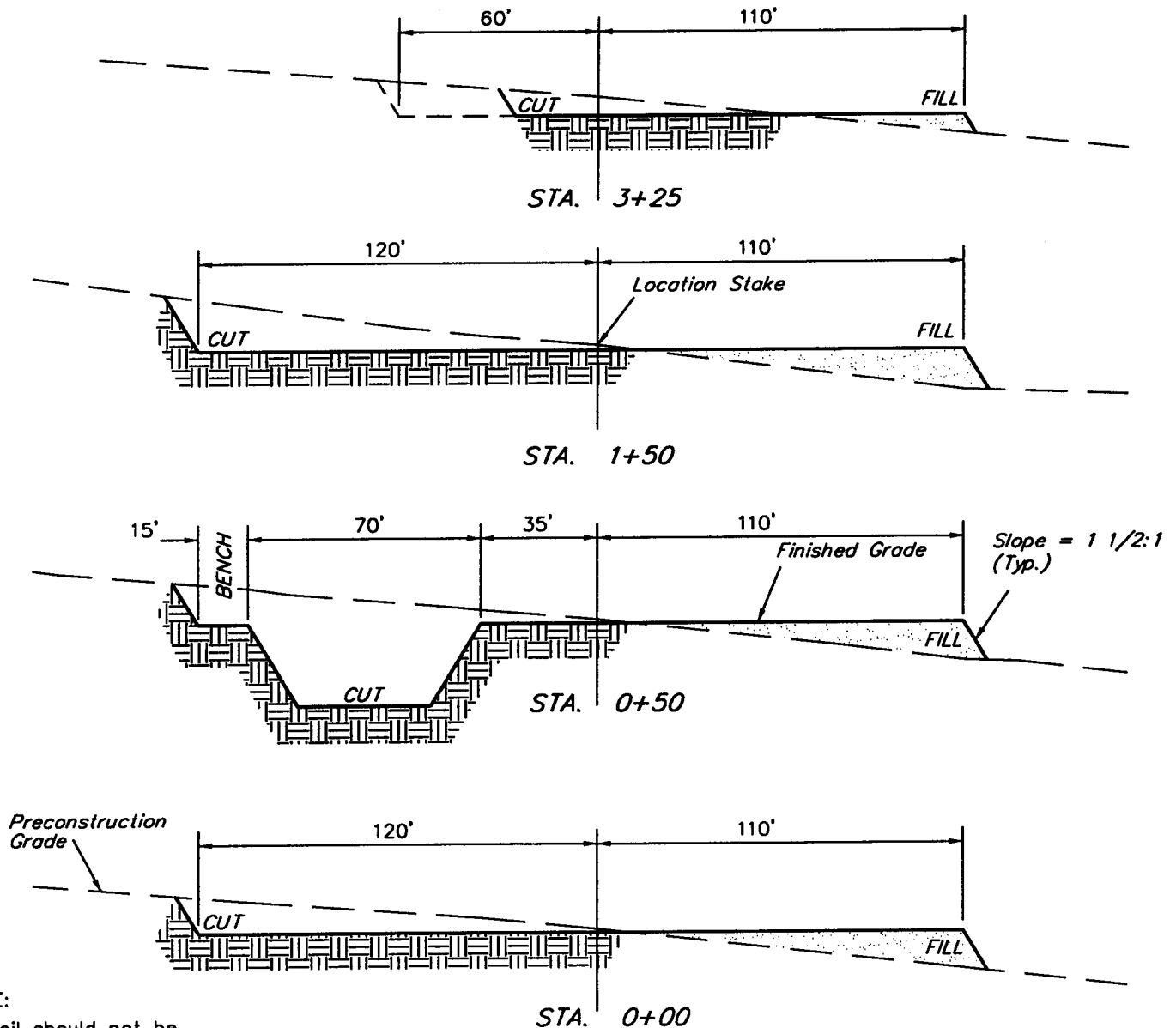
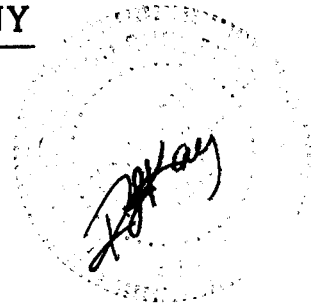
345' FNL 1687' FWL

1" = 20'

X-Section  
Scale

1" = 50'

DATE: 1-7-02  
Drawn By: D.COX



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

**FIGURE #2**

### APPROXIMATE YARDAGES

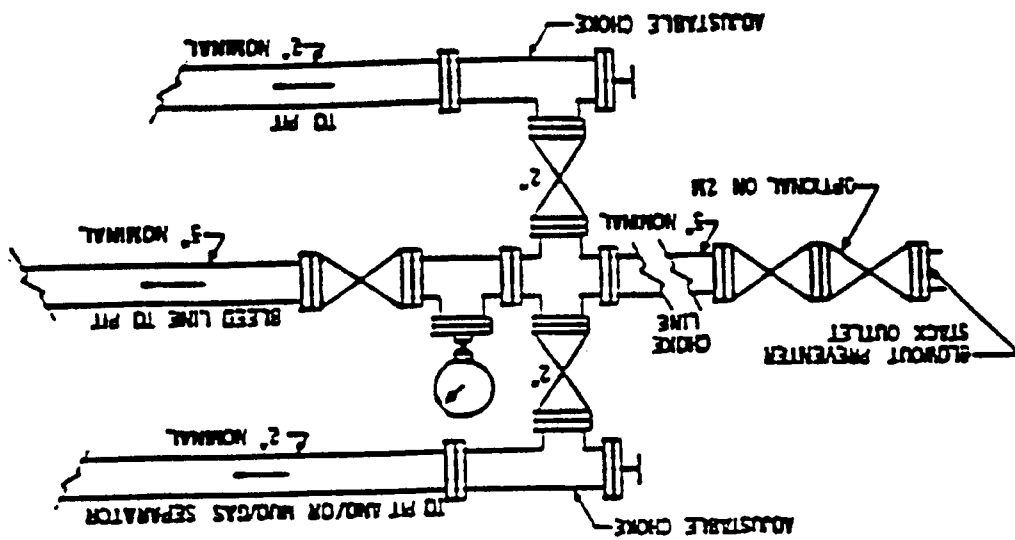
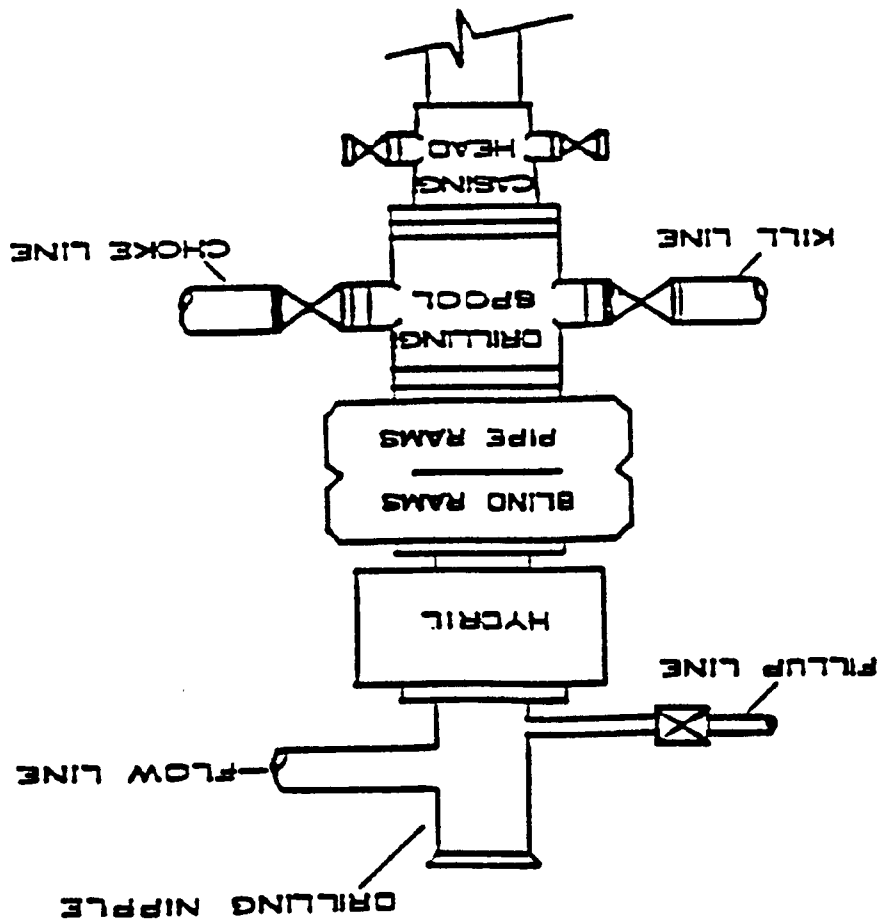
CUT	
(6") Topsoil Stripping	= 1,210 Cu. Yds.
Remaining Location	= 5,300 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,510 CU.YDS.</b>
<b>FILL</b>	<b>= 2,960 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,390 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,500 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 890 Cu. Yds.

**UINTAH ENGINEERING & LAND SURVEYING**  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

3,000 PSI

# BOP STACK



004

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/22/2002

API NO. ASSIGNED: 43-047-34786

WELL NAME: NBU 439

OPERATOR: EL PASO PROD OIL &amp; GAS ( N1845 )

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

## PROPOSED LOCATION:

NENW 34 090S 210E

SURFACE: 0345 FNL 1687 FWL

BOTTOM: 0345 FNL 1687 FWL

UINTAH

NATURAL BUTTES ( 630 )

LEASE TYPE: 3 - State

LEASE NUMBER: U-01194-A-ST

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	1/28/03
Geology		
Surface		

LATITUDE: 39.99879

LONGITUDE: 109.54060

## RECEIVED AND/OR REVIEWED:

☒ Plat
☐ Bond: Fed[] Ind[] Sta[3] Fee[]  
 (No. 400JU0705 )
☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit  
 (No. 43-8496 )

☒ RDCC Review (Y/N)  
 (Date: )
☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

☐ R649-2-3.Unit NATURAL BUTTES ☒☐ R649-3-2. General

Siting: 460 From Qtr/Qtr &amp; 920' Between Wells

☐ R649-3-3. ~~Exception~~☒ Drilling Unit

Board Cause No: 173-14

Eff Date: 12-2-99

Siting: 160' fr boundary? 2nd 1/4 Tract

☐ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (12-11-02)

STIPULATIONS:

① Oil Shale② STATEMENT OF BASIS





**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** ELPASO PRODUCTION OIL & GAS COMPANY.

**WELL NAME & NUMBER:** NBU 439

**API NUMBER:** 43-047-34786

**LEASE:** U-01194-A-ST **FIELD/UNIT:** NATURAL BUTTES

**LOCATION:** 1/4, 1/4 NE-NW **Sec:** 34 **TWP:** 9S **RNG:** 21E 1687' **FWL** 345' **FNL**

**LEGAL WELL SITING:**        **F SEC. LINE;**        **F 1/4, 1/4 LINE;**        **F ANOTHER WELL.**

**GPS COORD (UTM):** 4428443N 12664582N **SURFACE OWNER:** STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), MILES HANBERG, (DWR), CARROLL ESTES, CARROLL WILSON, (EL PASO). ROBERT KAY, (UELS).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS IN A RELATIVELY FLAT AREA WITH EXTENDING 1200' TO THE EAST, SOUTH AND WEST. THERE ARE SOME SHARP, LOW RIDGES AND SHALLOW DRAWS 300' TO THE NORTH. DRAINAGE IS TO THE WEST. THERE ARE NUMEROUS SANDSTONE OUTCROPPINGS PRESENT. SITE IS FIVE MILES SOUTH OF THE WHITE RIVER AND 16 MILES SOUTHEAST OF OURAY, UTAH.

**SURFACE USE PLAN**

**CURRENT SURFACE USE:** WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

**PROPOSED SURFACE DISTURBANCE:** LOCATION WILL BE 325' BY 230'. ACCESS ROAD WILL BE 50'.

**LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:** SEE ATTACHED MAP FROM GIS DATABASE.

**LOCATION OF PRODUCTION FACILITIES AND PIPELINES:** ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL RUN 400' TO THE WEST AND TIE INTO AN EXISTING LINE.

**SOURCE OF CONSTRUCTION MATERIAL:** ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

**ANCILLARY FACILITIES:** NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

**AFFECTED FLOODPLAINS AND/OR WETLANDS:** NONE

**FLORA/FAUNA:** SALTBRUSH, SHADSCALE, PRICKLEY PEAR, CHEATGRASS, SAGE, GRASSES: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.  
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION  
SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: 140' BY 70' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE  
REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY  
ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON  
FILE.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COLD, FROSTY DAY WITH TWO  
INCHES OF SNOW COVER,

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

12/11/02. 10:00 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      30      (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.









**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** EL PASO PRODUCTION & GAS COMPANY  
**WELL NAME & NUMBER:** NBU 439  
**API NUMBER:** 43-047-34786  
**LOCATION:** 1/4,1/4 NE/NW Sec:33 TWP: 9S RNG:21E 1687' FWL 345' FNL

**Geology/Ground Water:**

El Paso proposes to set 250' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,000'. A search of Division of Water Rights records shows four water wells within a 10,000 foot radius of the center of section 34 . These wells are approximately .5 to 1.5 miles from the proposed location and are listed as a mining use well or "other use". Depth of the wells range from 1500-2600 feet. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole.

**Reviewer:** Brad Hill **Date:** 12/16/02

**Surface:**

The predrill investigation of the surface was performed on 12/11/02. Floyd Bartlett and Miles Hanberg with DWR and Ed Bonner with SITLA were invited to this investigation on 12/2/02. Mr. Hanberg was present. SITLA did not have a representative present. Mr. Hanberg did not have any concerns regarding the construction of this location or the drilling of the well. This site is on State surface. This site appears to be the best site for a location in the immediate area. There are numerous sandstone outcroppings present and blasting will almost certainly be necessary to construct location.

**Reviewer:** David W. Hackford **Date:** 12/13//02

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, DEC 16, 2002, 11:57 AM  
PLOT SHOWS LOCATION OF 4 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT  
FEET, FEET OF THE CT CORNER,  
SECTION 34 TOWNSHIP 9S RANGE 21E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET

N O R T H

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

\*\*\*

\*\*\*

\*\*\*

\*\*\*

\*\*

\*\*

\*\*\*

\*\*\*

\*\*

\*\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

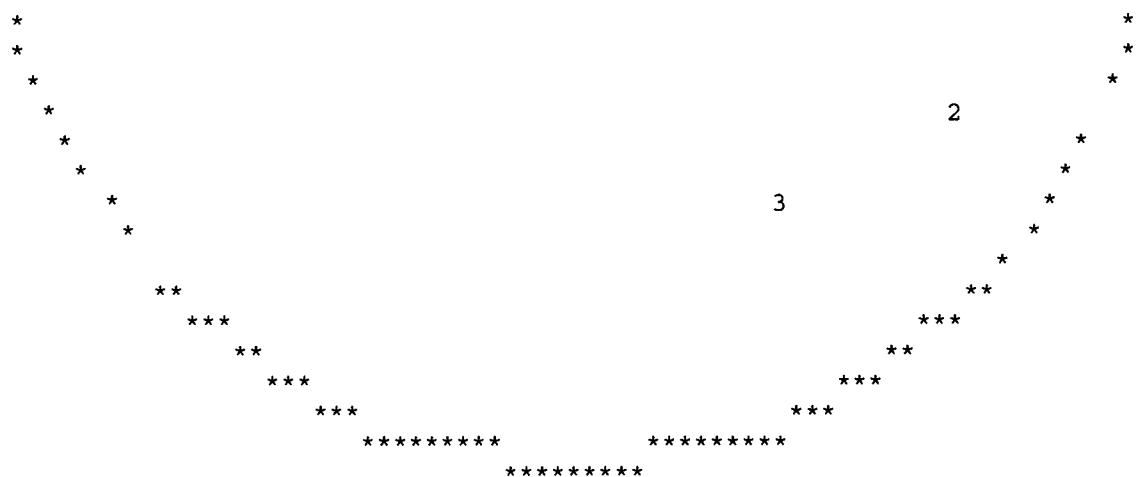
\*

\*

\*

0

1



UTAH DIVISION OF WATER RIGHTS  
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION DIAMETER	or WELL INFO DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&
0	49 355	1.0000	.00	7	1667		N	951	E	689	SW 34	9S	21E S
		WATER USE(S): MINING OTHER											
		Tosco Corporation			10100 Santa Monica Blvd.								PRIORITY DATE: 07/10/1 Los Angeles
1	49 354	.6000	.00	7	1604		N	643	E	592	SW 36	9S	21E S
		WATER USE(S): MINING OTHER											
		Tosco Corporation			10100 Santa Monica Blvd.								PRIORITY DATE: 07/10/1 Los Angeles
2	49 3	.0256	.00	5	2640		S	1650	W	1564	NE 2	10S	21E S
		WATER USE(S): OTHER											
		DeKalb Agricultural Association Incorpor Box 523											PRIORITY DATE: 06/17/1 Vernal

3	49	356	1.2500	.00	7	1525	-	1570	S	3200	E	850	NW	2	10S	21E	S				
													WATER USE(S): MINING			OTHER			PRIORITY DATE: 07/10/1		
													Tosco Corporation			10100 Santa Monica Blvd.			Los Angeles		

---

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

002

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number U-01194-A-ST
		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		9. Well Name and Number NBU 439
2. Name of Operator El Paso Production Oil & Gas Company		10. API Well Number
3. Address of Operator P.O. Box 1148 Vernal, UT 84078	4. Telephone Number (435) 781-7023	11. Field and Pool, or Wildcat Natural Buttes
5. Location of Well Footage : 345' FNL & 1687' FWL      County : Uintah QQ, Sec, T., R., M : NENW SEC. 34, T9S, R21E      State : UT		
12. <b>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

<p align="center"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input checked="" type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input checked="" type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Date of Work Completion _____</p> <p>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.        * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input checked="" type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

OPERATOR REQUESTS TO AMEND THE CEMENT & CASING PROGRAM ORIGINALLY SUBMITTED IN THE APD (APPLICATION FOR PERMIT TO DRILL), AND PLACE THE SUBJECT WELL ON CONFIDENTIAL STATUS.

REFER TO THE ATTACHED DRILLING PROGRAM.

**RECEIVED**  
**JAN 21 2003**  
 DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name & Signature Cheryl Cameron Title Operations Date 01/16/03

(State Use Only)

## DRILLING PROGRAM FOR APD

COMPANY NAME	El Paso Production Company	DATE	January 16, 2003	
WELL NAME	<b>NBU 439</b>	TD	8,400'	MD/TVD
FIELD	Natural Buttes	COUNTY	Uintah	STATE Utah ELEVATION 4,988' KB
SURFACE LOCATION	345' FNL, 1687' FWL, NENW, SEC. 34, T9S, R21E			BHL Straight Hole
OBJECTIVE ZONE(S)	Wasatch, Mesa Verde			
ADDITIONAL INFO	Regulatory Agencies: UDOGM, Tri-County Health Dept.			

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		20'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
		250' MD/TVD			
Catch water sample if water is encountered from 250' to 4810					
No mud logging Cased hole logs only					
			7-7/8"	4-1/2", 11.6#, J-55, LTC	Air Mist/Polymer Aerated Water/Brine 8.3-9.0 ppg
	Wasatch @	4,810'			
	Mesa Verde @	7,600'			
		TD @ 8,400'			



**el paso** | Production  
**DRILLING PROGRAM**

**CASING PROGRAM**

	DESIGN FACTORS							
	SIZE	INTERVAL	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-20'				2270	1370	254000
SURFACE	9-5/8"	0-250'	32.30	H-40	STC	16.19	11.71	4.37
						5350	4960	162000
PRODUCTION	4-1/2"	0-TD	11.60	J-55	LTC	1.80	1.26	1.10

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)  
 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)  
 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)  
 (Burst Assumptions: FG @ 9-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50000 lbs overpull)

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE		250	Class G + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	140	35%	15.80	1.16
PRODUCTION	LEAD	4,310'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	460	60%	11.00	3.38
	TAIL	4,090'	50/50 Poz/G + 10% salt + 2% gel	1150	60%	14.30	1.31

**FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys on bit trips. Maximum allowable hole angle is 5 degrees.

Prepared by: C. Cameron

DRILLING ENGINEER:

Dan Lindsey

DATE:

Well name:

**12-02 El Paso NBU 439**Operator: **El Paso Production Company**String type: **Surface**

Project ID:

43-047-34786

Location: **Uintah County****Design parameters:****Collapse**Mud weight: 8.330 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 68 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 200 ft

Cement top:

**Surface****Burst**Max anticipated surface  
pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 117 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 219 ft

Non-directional string.

**Re subsequent strings:**Next setting depth: 8,400 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 3,927 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 250 ft  
Injection pressure 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	9.625	32.30	H-40	ST&C	250	250	8.876	15.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	108	1370	<u>12.66</u>	117	2270	<u>19.42</u>	8	254	<u>31.46 J</u>

Prepared by: Dustin Doucet  
Utah Dept. of Natural ResourcesPhone: 801-538-5281  
FAX: 801-359-3940Date: January 23, 2003  
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing cemented to surface; Oil shale

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 250 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

12-02 El Paso NBU 439

Operator: **El Paso Production Company**String type: **Production**

Project ID:

43-047-34786

Location: **Uintah County****Design parameters:****Collapse**Mud weight: 9.000 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 183 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top:

**Surface****Burst**Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP **3,927 psi**

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 7,270 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8400	4.5	11.60	J-55	LT&C	8400	8400	3.875	194.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3927	4960	1.26	3927	5350	1.36	97	162	1.66 J

El Paso Assumes  
max 50 K lbs over-pull  
has been Standard practice  
Dunlin as of 1/27/03  
1.92 w/buoyancy

Prepared by: **Dustin Doucet**  
Utah Dept. of Natural ResourcesPhone: 801-538-5281  
FAX: 801-359-3940Date: January 23, 2003  
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing cemented to surface; Oil shale

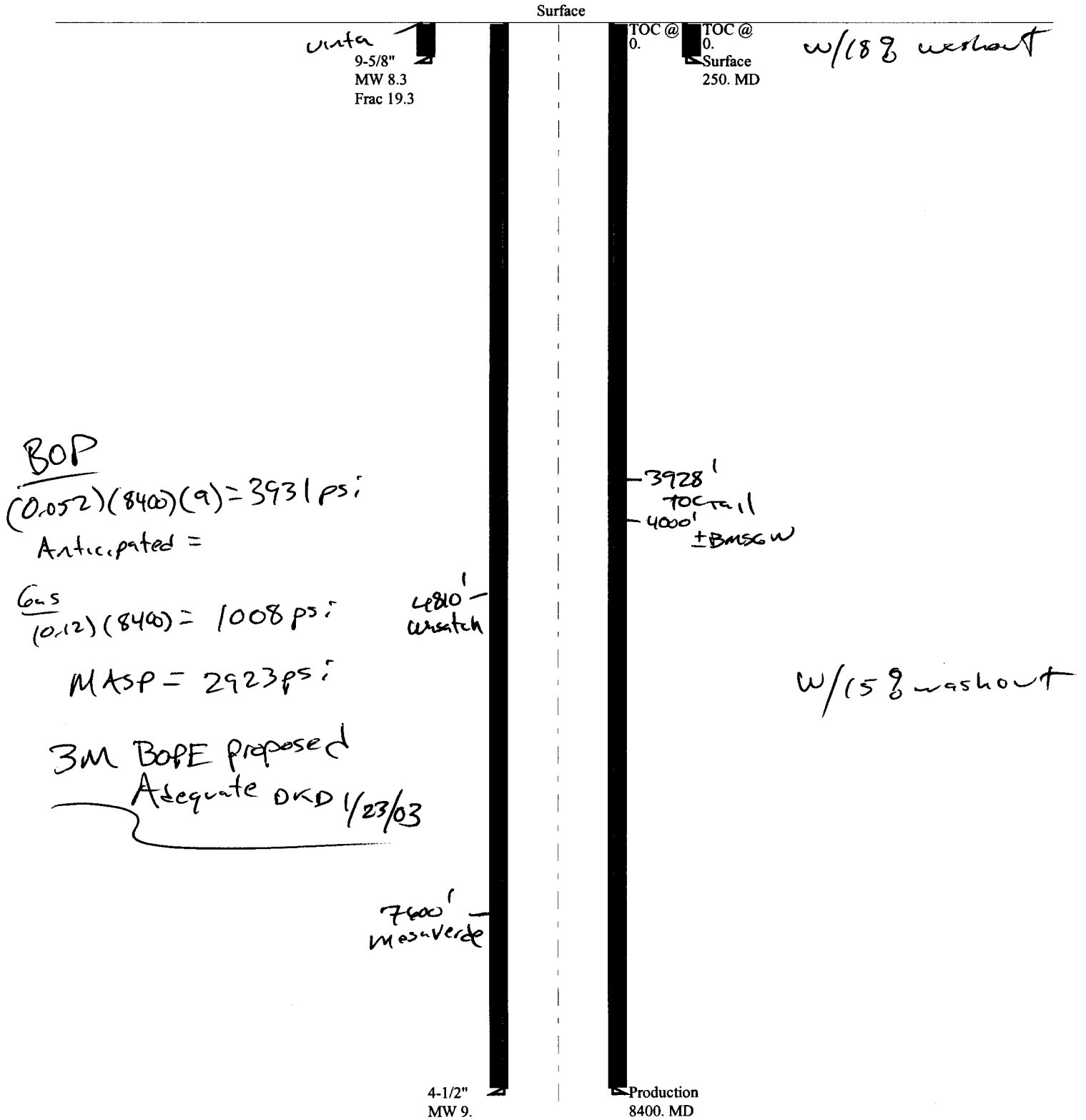
Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 8400 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Casing Schematic





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt  
Governor

Robert L. Morgan  
Executive Director

Lowell P. Braxton  
Division Director

January 29, 2003

El Paso Production Oil & Gas Company  
P O Box 1148  
Vernal, UT 84078

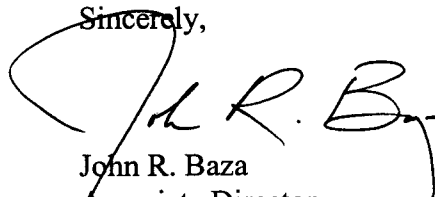
Re: Natural Buttes Unit 439 Well, 345' FNL, 1687' FWL, NE NW, Sec. 34, T. 9 South,  
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34786.

Sincerely,



John R. Baza  
Associate Director

pb

Enclosures

cc: Uintah County Assessor

SITLA

Bureau of Land Management, Vernal District Office

Operator: El Paso Production Oil & Gas Company  
Well Name & Number Natural Buttes Unit 439  
API Number: 43-047-34786  
Lease: U-01194-A-ST

Location: NE NW                      Sec. 34                      T. 9 South                      R. 21 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)





# United States Department of the Interior **RECEIVED**

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al

(UT-924)

FEB 21 2002

### NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

#### Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

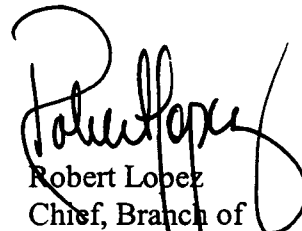
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5609

**February 1, 2002**

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

**RE: BLM Bond CO-1203  
BLM Nationwide Bond 158626364  
Surety - Continental Casualty Company  
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.  
Assumption Rider - Westport Oil and Gas Company, L.P.**

**Dear Ms. Maxwell:**

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

Encl:

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

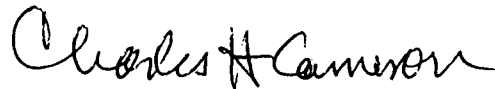
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chronos



**United States Department of the Interior****BUREAU OF INDIAN AFFAIRS**

Washington, D.C. 20240

**FEB 10 2003**IN REPLY REFER TO:  
**Real Estate Services**

**Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078**

**Dear Mr. Wilson:**

**This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.**

**This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.**

**In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.**

**Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.**

**Sincerely,****Director, Office of Trust Responsibilities****ACTING****Enclosure**



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER

2. NAME OF OPERATOR:

El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:

9 Greenway Plaza

CITY Houston

STATE TX

ZIP 77064-0995

PHONE NUMBER:

(832) 676-5933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

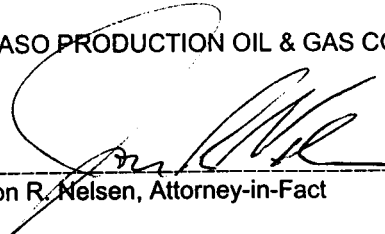
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By:   
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.

NAME (PLEASE PRINT) David R. Dix

TITLE Agent and Attorney-in-Fact

SIGNATURE

DATE

12/17/02

(This space for State use only)

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL &amp; GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	SUCCESSOR OF
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	OPERATOR

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Date

March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

## OPERATOR CHANGE WORKSHEET

008

X Change of Operator (Well Sold)

Designation of Agent/Operator

## ROUTING

1. GLH

2. CDW

3. FILE

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: 12-17-02

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No.

Unit:

NATURAL BUTTES

## WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 322	34-09S-21E	43-047-33203	2900	STATE	GW	P
NBU 263	34-09S-21E	43-047-32793	2900	STATE	GW	P
NBU 439	34-09S-21E	43-047-34786	99999	STATE	GW	APD
NBU 440	34-09S-21E	43-047-34785	99999	STATE	GW	APD
CIGE 204-35-9-21	35-09S-21E	43-047-32794	2900	STATE	GW	P
NBU 310	35-09S-21E	43-047-32882	2900	STATE	GW	P
CIGE 239-35-9-21	35-09S-21E	43-047-33206	2900	STATE	GW	P
NBU CIGE 28-35-9-21	35-09S-21E	43-047-30739	2900	STATE	GW	P
NBU CIGE 54D-35-9-21	35-09S-21E	43-047-30851	2900	STATE	GW	P
NBU 69N2	35-09S-21E	43-047-31090	2900	STATE	GW	P
NBU 81V	35-09S-21E	43-047-31232	2900	STATE	GW	P
CIGE 115-35-9-21	35-09S-21E	43-047-31918	2900	FEDERAL	GW	P
CIGE 133-35-9-21	35-09S-21E	43-047-31978	2900	STATE	GW	P
NBU 156	35-09S-21E	43-047-32005	2900	FEDERAL	GW	P
CIGE 283	35-09S-21E	43-047-34790	99999	STATE	GW	APD
NBU 441	35-09S-21E	43-047-34791	99999	STATE	GW	APD
NBU 442	35-09S-21E	43-047-34788	99999	STATE	GW	APD
NBU 443	35-09S-21E	43-047-34789	99999	STATE	GW	APD
NBU 33-17B	17-09S-22E	43-047-30396	2900	FEDERAL	GW	P
NBU 48N3	18-09S-22E	43-047-30538	2900	FEDERAL	GW	P

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_

6. (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 03/18/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/18/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

CONFIDENTIAL

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: WESTPORT OIL & GAS COMPANY LPWell Name: NBU 439Api No: 43-047-34786 Lease Type: STATESection 34 Township 09S Range 21E County UINTAHDrilling Contractor SKI DRILLING RIG# AIR**SPUDDED:**Date 03/20/03Time 8:00 AMHow ROTARY**Drilling will commence:** \_\_\_\_\_Reported by JIM MURRAYTelephone # 1-435-828-1730Date 03/20/2003 Signed: CHD

009

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
ENTITY ACTION FORM - FORM 6

OPERATOR Westport O&G Production Co. L.P.  
ADDRESS P.O. Box 1148  
Vernal, UT 84078

OPERATOR ACCT. NO. N 2115

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
<u>B</u>	<u>99999</u>	<u>2900</u>	<u>43-047-34786</u>	<u>NBU 439</u>	<u>NENW</u>	<u>34</u>	<u>9S</u>	<u>21E</u>	<u>Uintah</u>	<u>3/20/2003</u>	<u>3-24-03</u> <del>3/20/2003</del>

WELL 1 COMMENTS:  
Spud w/ Ski Air Rig @ 8:00 am

CONFIDENTIAL

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 2 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 3 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 4 COMMENTS:

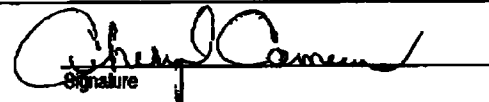
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.  
(3/89)

  
Signature

Operations 03/24/03  
Title \_\_\_\_\_ Date \_\_\_\_\_

Phone No. (435) 781-7023

RECEIVED

MAR 24 2003

DIV. OF OIL, GAS & MINING

P. 02

FAX NO. 4357817094

MAR-24-2003 MON 10:13 AM EL PASO PRODUCTION

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

007

CONFIDENTIAL

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number U-01194-A-ST
		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement NATURAL BUTTES UNIT
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		9. Well Name and Number NBU 439
2. Name of Operator Westport Oil & Gas Production Co. L.P.		10. API Well Number 43-047-34786
3. Address of Operator P.O. Box 1148 Vernal, UT 84078	4. Telephone Number (435) 781-7023	11. Field and Pool, or Wildcat Natural Buttes
5. Location of Well Footage : 345' FNL & 1687' FWL      County : Uintah QQ, Sec, T., R., M : NENW SEC. 34, T9S, R21E      State : UT		
12. <b>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

<p style="text-align: center;"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p style="text-align: center;"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Well Spud</u></td> <td></td> </tr> </table> <p>Date of Work Completion _____</p> <p>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.        * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Well Spud</u>	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other <u>Well Spud</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MIRU Ski Air rig & spud 12 1/4" surface hole @ 8:00 am, 3/20/03 & drill to 280'. RIH w/ 274' of 9 5/8" 32.3# H-40 ST&C csg. Cmt w/ 110 sx Class G mixed @ 15.8 ppg w/ 1.17 yield.

w/o Caza Rig #82

14. I hereby certify that the foregoing is true and correct.

Name & Signature Cheryl Cameron  Title Operations Date 03/24/03

(State Use Only)

**RECEIVED**

**MAR 28 2003**



**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

CONFIDENTIAL

010

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT – for such proposals		6. Lease Designation and Serial Number U-01194-A-ST
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		7. Indian Allottee or Tribe Name
2. Name of Operator Westport Oil & Gas Company L.P.		8. Unit or Communitization Agreement NATURAL BUTTES UNIT
3. Address of Operator P.O. Box 1148 Vernal, Utah 84078	4. Telephone Number (435) 781-7024	9. Well Name and Number NBU #439
5. Location of Well Footage : 345'FNL & 1687'FWL     County : UTAH QQ, Sec, T., R., M : NENW SECTION 34-T9S-R21E     State : UTAH		10. API Well Number 43-047-34786
11. Field and Pool, or Wildcat NATURAL BUTTES		
<b>12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

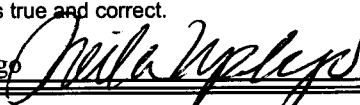
<b>NOTICE OF INTENT</b> (Submit in Duplicate) <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> Approximate Date Work Will Start _____	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<b>SUBSEQUENT REPORT</b> (Submit Original Form Only) <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>PRODUCTION START-UP</u></td> <td></td> </tr> </table> Date of Work Completion <u>4/25/03</u>  Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>PRODUCTION START-UP</u>	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other <u>PRODUCTION START-UP</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 4/25/03 AT 8:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct.

Name & Signature Sheila Upcheg  Title Regulatory Analyst Date 04/29/03

(State Use Only)

**RECEIVED**  
**MAY 05 2003**

WESTPORT OIL & GAS COMPANY, LP

CONFIDENTIAL

CHRONOLOGICAL HISTORY

**NBU 439**

UINTAH COUNTY, UT

WI: 100%

PBTD: PERFS:

CSG:

Spud Date:

**AFE DESCR., AFE: 803030D**

**FORMATION:**

**CWC(M\$):**

**DRILLING REPORT:**

**WI: 100%      AFE: 803030D      8/8THS      ATD: 7,900'      CSG:**  
**Target pay: Wasatch/Mesa Verde**

**3/7/03      Building location. 10% complete.**

**3/10/03      NE/NW S34-9S-21E  
Building location. 15% complete.**

**3/11/03      Building location. 20% complete.**

**3/12/03      Building location. 35% complete.**

**3/13/03      Building location. 50% complete.**

**3/14/03      Building location. 60% complete.**

**3/17/03      Building location. 70% complete.**

**3/18/03      Building location. 80% complete.**

**3/19/03      Building location. 80% complete.**

**3/20/03      Building location. 100% complete.**

**3/21/03      TD: 280'      CSG: 9 5/8" @ 274'      MW: air      SD:      DSS: 0  
Spudded @ 0800 hrs 3/20/03. Drilled 12 1/4" hole to 280'. Ran 9 5/8" csg. Cmt w/BJ,  
circ to surf, hole stayed full. BLM & UDOGM notified, no witnesses. WORT. Drop  
from report until rotary spud.**

**3/31/03      Rig: Caza 82  
TD: 3600'      CSG: 9 5/8" @ 275'      MW: aerated wtr      SD: 3/29/03      DSS: 2  
Drilled 3326' in 48 hrs. Drilling @ report time.**

**4/1/03      TD: 4640'      CSG: 9 5/8" @ 275'      MW: aerated wtr      SD: 3/29/03      DSS: 3  
Drilled 1040' in 23 hrs. Drilling @ report time.**

---

LEAD

4/2/03	TD: 5540'	CSG: 9 5/8" @ 275'	MW: aerated wtr	SD: 3/29/03	DSS: 4
	Drilled 900' in 23 hrs. Drilling @ report time.				
4/3/03	TD: 6243'	CSG: 9 5/8" @ 275'	MW: aerated wtr	SD: 3/29/03	DSS: 5
	Drilled 703' in 23.5 hrs. Drilling @ report time.				
4/4/03	TD: 6675'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 6
	Drilled 408' in 14 hrs. TFNB. Drilled 24' in 1 hr. Drilling @ report time.				
4/7/03	TD: 7929'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 9
	Drilled 1354' in 53.5 hrs. TFNB (hit bridge @ 7657', plugged bit, POOH. TO 5487'. Rig broke dn. Well flowing (250# on 64/64" chk) @ report time. RU to perf DC.				
4/8/03	TD: 7929'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 10
	Perf DC abv bit. Circ gas out to kill. TIH, bridge @ 4890'. Wash & ream to 6590'. Reaming @ report time.				
4/9/03	TD: 7929'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 11
	Reamed to 7400'. Mudded up. Reamed to 7929'. Drilling @ report time.				
<hr/>					
4/10/03	TD: 8216'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 13
	Drilled 287' in 23.5 hrs. Drilling @ report time.				
4/11/03	TD: 8400'	CSG: 9 5/8" @ 275'	MW: wtr	SD: 3/29/03	DSS: 13
	Drilled 183' in 22.5 hrs, reached TD @ 0530 hrs. Cond for short trip @ report time.				
4/14/03	TD: 8400'	CSG: 4 1/2" @ 8400'	MW: wtr	SD: 3/29/03	DSS: 15
	Ran 4 1/2" csg. Cmt w/BJ, full circ, Bumped plug, floats held. Set csg slips, NDBOP, cut csg. Rls rig 1200 hrs 4/12/03.				
4/15/03	TD: 8400'	CSG: 4 1/2" @ 8400'	MW: wtr	SD: 3/29/03	DSS: 15
	WO completion.				
4/16/03	TD: 8400'	CSG: 4 1/2" @ 8400'	MW: wtr	SD: 3/29/03	DSS: 15
	WO completion.				
4/17/03	CIRC HOLE CLEANPROG: RIG CREW HELD SAFETY MEETING (RU & DN). MOVE RIG FROM NBU #187 TO NBU #439. RU RIG & EQUIP. NDWH. NUBOPE. PU 3 7/8" 4 BLADED MILL, SN. PU & TALLY 2 3/8" J-55 TBG. RIH TO PBTD @ 8380'. SDFD.				
4/21/03	<b>READY TO FRAC</b> RIG CREW HELD SAFETY MEETING (POOH). CIRC HOLE W/130 BBLS 2% KCL. POOH. LAYING 60 JTS. STANDING BACK 99 STANDS. RU CUTTERS WIRELINE. RIH W/DUMP BAIL. DUMP ACID ACROSS 8127'-8130'. POOH. RIH W/DUMP BAIL & DUMP ACID ACROSS 7976'-7978'. POOH. PU PERF 3 3/8" EXPENDABLE PERF GUN W/23 GRAM CHARGES TO 8130'-8127'. PERF 4 SPF, 12 HOLES. PUH. PERF 7978'-7976', 4 SPF, 8 HOLES. POOH. RD CUTTERS WIRELINE. BRK DN PERF @ 2900#. ISIP: 2100#, FG: .70, 5 MIN: 2000#, 10 MIN: 1700#, 15 MIN: 1600#. SIW. SDFD.				

---



---

4/22/03

**FLOWING BACK WELL**

HELD SAFETY MEETING W/DOWELL. TST LINES @ 6068#.

STAGE 1: PMP 780 BBLS YF118ST & 58,400# 20/40 SD. ISIP: 2791#, NPI: 691#, FG: .78, ATP: 3940#, MTP: 5008#, ATR: 30.8 BPM, MTR: 37.7 BPM.

STAGE 2: RIH W/4 1/2" FRAC PLUG & PERF GUNS TO 7805' & SET PLUG. PUH. PERF @ 7768'-7765' & 7660'-7661', 4 SPF, 16 HOLES W/3 1/8" 12 GRAM CHARGES. BRK DN PERF @ 2375#, ISIP: 2000#, FG: .69. PMP 829 BBLS YF117ST & 63,000# 20/40 SD. ISIP: 2910#, NPI: 910#, FG: .81, ATP: 3156#, MTP: 4182#, ATR: 22.7 BPM, MTR: 33.2 BPM.

STAGE 3: RIH W/4 1/2" FRAC PLUG & PERF GUNS TO 7240' & SET PLUG. PUH. PERF @ 7204'-06', 7077'-78', 4 SPF, 12 HOLES W/12 GRAM CHARGES. BRK DN PERF @ 3200#. ISIP: 2100#, FG: .73. PMP 662 BBLS YF117ST & 49,200# 20/40 SD. ISIP: 2520#, NPI: 420#, FG: .79, ATP: 2995#, MTP: 4840#, ATR: 18.8 BPM, MTR: 20.0 BPM.

STAGE 4: RIH W/4 1/2" FRAC PLUG & PERF GUNS TO 6215' & SET PLUG. PUH. PERF @ 6171'-68', 5908'-11', 4 SPF, 24 HOLES W/12 GRAM CHARGES. BRK DN PERF, WOULDN'T BRK. RIH W/PERF GUN TO 5774'. TAG, POOH W/GUNS. FLOW BACK WELL. RAN INTO WELL BRK. PMP 1344 BBLS YF115ST & 131,500# 20/40 SD. ISIP: 2089#, NPI: 889#, FG: .79, ATP: 2771#, MTP: 3507#, ATR: 38.8 BPM, MTR: 47.5 BPM.

STAGE 5: RIH W/4 1/2" FRAC PLUG & PERF GUNS TO 5650' & SET PLUG. PUH. PERF 5609'-07', 5384'-82', 5296'-94', 3 SPF, 18 HOLES W/12 GRAM CHARGES. BRK DN PERF @ 1900#. ISIP: 1200#, FG: .67. PMP 1380 BBLS YF115ST & 144,000# 20/40 SD. ISIP: 1955#, NPI: 755#, FG: .80, ATP: 2397#, MTP: 3200#, ATR: 34.1 BPM, MTR: 39.4 BPM. PUH. PERF @ 5078'-75', 4936'-33', 4 SPF, 24 HOLES W/12 GRAM CHARGES. BRK DN PERF @ 1780#. ISIP: 1100#, FG: .66. PMP 1634 BBLS YF115ST & 187,960# 20/40 SD. ISIP: 1905#, NPI: 805#, FG: .82, ATP: 2759#, MTP: 3748#, ATR: 39.1 BPM, MTR: 47.2 BPM. RD CUTTERS & DOWELL. FLOW BACK WELL. TURN WELL OVER TO FLOW BACK CREW. SDFD.FLOW BACK REPORT, 7:00 AM: CP: 600#, 32/64" CHK, TOTAL WTR: 615 BBLS, TLTR: 6014 BBLS.

4/23/03

**Wasatch**

**PBTD: 8,401' PERFS:**

**CSG: 4 1/2", 11.6#**

**DRILLING OUT PLUG**

RIG CREW HELD SAFETY MEETING (WIRELINE SAFETY). FLOW BACK WELL. RU CUTTERS & RIH W/5K CBP TO 4865' & SET KILL PLUG. POOH. RD CUTTERS. PU 3 7/8" MILL TOOTH BIT & BIT SUB, SN & RIH TO 4830'. RU DRILLING EQUIP. SDFD.

4/24/03

**FLOWING BACK WELL**

RIG CREW HELD SAFETY MEETING (AIR FOAM SAFETY). RU AIR FOAM UNIT, EST CIRC.

CBP #1: DRILLED UP CBP @ 4845' IN 8 MIN W/600# DIFF PRESS.

CFP #2: RIH. DRILLED CFP #2 @ 5120' IN 10 MIN.

CFP #3: RIH. DRILLED CFP @ 5650' BTM OF CFP #2 IN 9 MIN, TOP CFP IN 10 MIN.

CFP #4: RIH. DRILLED CFP @ 6210' BTM CFP #3 & TOP OF CFP IN 15 MIN.

CFP #5: CIRC HOLE FOR 45 MIN. RIH TO 7240'. DRILLED UP BTM OF CFP #4 & TOP OF CFP #5 IN 18 MIN.

CFP #6: RIH. DRILLED CFP @ 7805'. DRILLED UP BTM OF CFP #6 & TOP OF CFP #6 IN 22 MIN. RIH. TO PBTD. PUH TO 8130'. LANDED TBG. NDBOPE.

NUWH. DROP BALL & PMP OFF BIT @ 1250#. TURN WELL OVER TO FLOW

BACK CREW & SDFD. TBG HAD 300# ON IT. CSG HAD 900# OPEN CHK.FLOW  
BACK REPORT: 1500 MCF/D, CP: 1000#, TP: 200#, 64/64" CHK, 1009 BW, CLEAN  
SD, TLTR: 3495 BBLs.

**4/25/03**

**PUT TO SALES**

CP: 800#, TP: 180#, 192 BW, TLTR: 3275 BBLs.

**4/28/03**

**ON SALES**

4/25/03: WENT ON SALES 4/25/03, 8:00 AM. 1200 MCFD, SICP: 950#, FTP: 750#, 4  
BWPH, 10/64" CHK, 24 HRS.

4/26/03: 938 MCF, 0 BC, 108 BW, TP: 164#, CP: 1028#, 10/64" CHK, 24 HRS, LP:  
103#.

4/27/03: 1110 MCF, 0 BC, 160 BW, TP: 151#, CP: 921#, 14/64" CHK, 24 HRS, LP:  
94#.

---

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

**CONFIDENTIAL****011**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		6. Lease Designation and Serial Number U-01194-A-ST
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT – for such proposals		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement NATURAL BUTTES UNIT
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		9. Well Name and Number NBU #439
2. Name of Operator Westport Oil & Gas Company L.P.		10. API Well Number 43-047-34786
3. Address of Operator P.O. Box 1148 Vernal, Utah 84078	4. Telephone Number (435) 781-7024	11. Field and Pool, or Wildcat NATURAL BUTTES
5. Location of Well Footage : 345'FNL & 1687'FWL      County : UINTAH QQ, Sec, T., R., M : NENW SECTION 34-T9S-R21E      State : UTAH		
<b>12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

<p align="center"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>FINAL DRILLING OPERATIONS</u></td> <td></td> </tr> </table> <p>Date of Work Completion <u>4/13/03</u></p> <p style="font-size: x-small;">Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.        * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>FINAL DRILLING OPERATIONS</u>	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other <u>FINAL DRILLING OPERATIONS</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

FINISHED DRLG F/274 TO 8400'. RAN 4 1/2" 11.6# J-55 CSG. CMT W/450 SX PREM LITE II 270 BBLS 11 PPG  
 1150 SX 50/50 POZ 268 BBLS 14.3 PPG. FLOATS HELD.

RELEASED RIG ON 4/12/03 AT 12:00 HRS

14. I hereby certify that the foregoing is true and correct.

Name & Signature Sheila Upchego

Title Regulatory Analyst

Date 04/13/03

(State Use Only)

**RECEIVED****MAY 28 2003**

DIV. OF OIL, GAS &amp; MINING

**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**

012

5. LEASE DESIGNATION AND SERIAL NO.

U-01194-A-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

1a. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒DRY ☐

Other \_\_\_\_\_

1b. TYPE OF COMPLETION

NEW  
WELL ☒WORK  
OVER ☐DEEP-  
EN ☐PLUG  
BACK ☐DIFF.  
RESVR. ☐

Other \_\_\_\_\_

2. NAME OF OPERATOR

WESTPORT OIL &amp; GAS COMPANY

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1148 VERNAL, UTAH 84078 (435) 781-7024

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)

At Surface

NENW 345'FNL &amp; 1687'FWL

At top prod. Interval reported below

At total depth

14. API NO.

43-047-34786

DATE ISSUED

1/29/03

12. COUNTY

UINTAH

13. STATE

UTAH

15. DATE SPUDDED

3/20/03

16. DATE T.D. REACHED

4/12/03

17. DATE COMPL. (Ready to prod. or Plug &amp;)

4/25/03

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

4988'GL

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD &amp; TVD

8400' MD

TVD

21. PLUG, BACK T.D., MD &amp; TVD

TD

8380' MD

TVD

22. IF MULTIPLE COMPL.,

HOW MANY

23. INTERVALS ROTARY TOOLS

DRILLED BY

-----&gt;

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)

WASATCH/MESAVERDE: 7976'-8130'; 8130'-8127' (12 HOLES); 7978'-7976' (8 HOLES); 7077'-7206' (12 HOLES); 5908'-6171' (24 HOLES); 5294'-5609' (18 HOLES); 4933'-5078' (24 HOLES)

25. WAS DIRECTIONAL

SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

DSI-APS-LQC-421-03

27. WAS WELL CORED YES ☐ NO ☒ (Submit analysis)DRILL STEM TEST YES ☐ NO ☒ (See reverse side)**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	32.3# H-40	274'	12 1/4"	110 SX CLASS G	
4 1/2"	11.6# J-55	8400'	7 7/8"	4600 SX 50/50 POZ	
				1150	
				450 SX PREM LITE II	

**29. LINER RECORD**

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	8130'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL

SIZE

NUMBER

SEE ADDITIONAL PAGE

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
SEE ADDITIONAL PAGE FOR INFORMATION	

**33.\* PRODUCTION**

DATE FIRST PRODUCTION 4/25/03	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING	WELL STATUS (Producing or shut-in) PRODUCING
DATE OF TEST 4/29/03	HOURS TESTED 24	CHOKE SIZE 16/64
PROD'N. FOR TEST PERIOD -->	OIL--BBL. 0	GAS--MCF. 1129
WATER--BBL. 115	GAS-OIL RATIO 115	
FLOW. TUBING PRESS. 147#	CASING PRESSURE 884#	CALCULATED 24-HOUR RATE -->
OIL-BBL. 0	GAS--MCF. 1129	WATER--BBL. 115
OIL GRAVITY-API (CORR.)		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SOLD

TEST WITNESSED BY

RECEIVED

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED SHEILA UPCHEGO

TITLE REGULATORY ANALYST

DIV. OF OIL, GAS &amp; MINING

See Spaces for Addition Data on Reverse Side



## INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
Formation	Top	Bottom	Description, contents, etc.	Name	Meas. Depth	Top True Vert. Depth
TOP GREENRIVER	1603'	4801'	CONFIDENTIAL			
TOP WASATCH	4801'	7599'				
TOP MESAVERDE	7599'					

CONFIDENTIAL

Form 3160-4

Additional Page For Comments

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

**U-01194-A-ST**

Lease Serial No.

**NBU#439**

**NE/NW SEC. 34, T9S, R21E**

**API #43-047-34786**

ITEM# 25, 26 & 27

**INTERVAL  
WASATCH/MESAVERDE**

**SIZE**

**NUMBER**

**7976'-8130'**

**8130'-8127'**

**7978'-7976'**

**7077'-7206'**

**5908'-6171'**

**5294'-5609'**

**4933'-5078'**

**12 HOLES**

**8 HOLES**

**12 HOLES**

**24 HOLES**

**18 HOLES**

**24 HOLES**

**DEPTH INTERVAL**

**AMOUNT & KIND OF MATERIAL**

**7976'-8130'**

**8130'-8127'**

**7978'-7976'**

**7077'-7206'**

**5908'-6171'**

**5294'-5609'**

**4933'-5078'**

**ACID W/130 BBLS 2% KCL**

**PMP W/780 BBLS YF118ST & 58,400# 20/40 SD**

**PMP W/829 BBLS YF117ST & 63,000# 20/40 SD**

**PMP W/662 BBLS YF117ST & 49,200# 20/40 SD**

**PMP W/1344 BBLS YF115ST & 131,500# 20/40 SD**

**PMP W/1380 BBLS YF115ST & 144,000# 20/40 SD**

**PMP W/1634 BBLS YF115ST & 187,960# 20/40 SD**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

013

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple Wells - see attached

5. Lease Serial No.

Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

891008900A

8. Well Name and No.

Multiple Wells - see attached

9. API Well No.

Multiple Wells - see attached

10. Field and Pool, or Exploratory Area

Natural Buttes Unit

11. County or Parish, State

Uintah County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped.

The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing

and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached.

Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

J.T. Conley

Signature

COPY SENT TO OPERATOR

Date:

Initials:

Title

Date

Initials

Date

Operations Manager

9-2-2003

SEP 10 2003

DIV OF OIL GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Approval of This  
Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date:

Initials

Date

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Westport Oil & Gas, L.P.

## Project Economics Worksheet

### Instructions:

Fill in blue boxes with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ??? ☐ N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

Increased OPX Per Year

### Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/840	\$0
<b>Total \$</b>		<b>\$1,200</b>

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

### Production & OPX Detail:

	Before		After		Difference
Oil Production	0.192	BOPD	0.194	BOPD	0.002
Gas Production	0	MCFPD	0	MCFPD	0
Wtr Production	0	BWPD	0	BWPD	0
Horse Power		HP		HP	0
Fuel Gas Burned		MCFPD		MCFPD	0

### Project Life:

Life = 20.0 Years  
(Life no longer than 20 years)

### Internal Rate of Return:

After Tax IROR = #DIV/0!

### AT Cum Cashflow:

Operating Cashflow = (\$2,917) (Discounted @ 10%)

### Payout Calculation:

Payout =  $\frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}}$  = 1

Payout occurs when total AT cashflow equals investment  
See graph below, note years when cashflow reaches zero

Payout = NEVER Years or #VALUE! Days

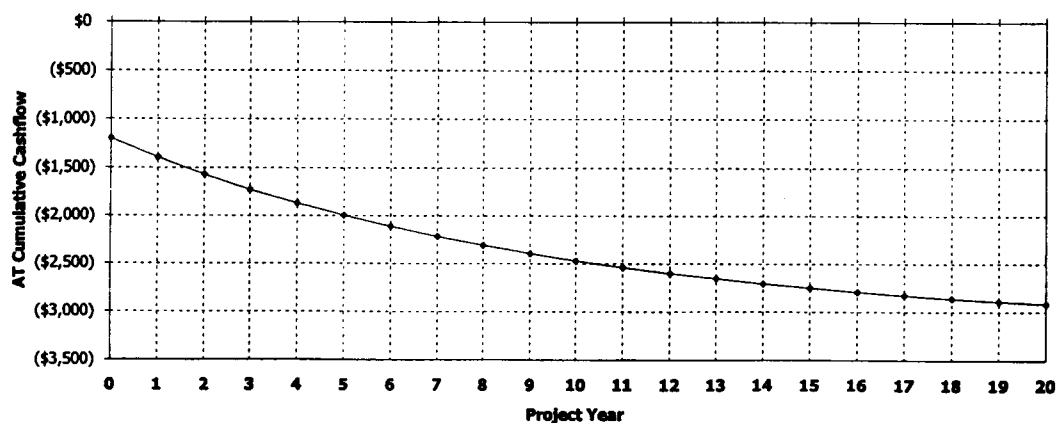
### Gross Reserves:

Oil Reserves = 4 BO  
Gas Reserves = 0 MCF  
Gas Equiv Reserves = 38 MCFE

### Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.194 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



**Westport Oil and Gas, Inc.****NBU/Ouray Field****RFL 2003-022****COMPARISON OF FLASH BACK PRESSURES**

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio ( scf/STbbl )	Specific Gravity of Flashed Gas ( Air=1.000 )	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F	(A)			

**Calculated at Laboratory Flash Conditions**

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

**Calculated Flash with Backpressure using Tuned EOS**

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

WELL	LEGALS	STFLEASENO	CANUMBER	APINO
NBU 419	21-10-21 NWNE	U02278	891008900A	430473437800S1
NBU 420	20-10-21 SESE	UTU02278	891008900A	430473437700S1
NBU 421	20-10-21 NESE	UTU02278	891008900A	430473437800S1
NBU 422	29-10-22 SWSE	UTU469	891008900A	430473441400S1
NBU 423	29-10-22 NWSE	UTU469	891008900A	430473441500S1
NBU 424	29-10-22 NESW	UTU0145824	891008900A	430473441600S1
NBU 425	11-10-21 SENE	UTU01190	891008900A	430473441000S1
NBU 426	11-10-21 SWNE	UTU01190	891008900A	430473441100S1
NBU 427	11-10-21 NWNE	UTU01190	891008900A	430473441800S1
NBU 428	33-9-21 NWSW	UTU015630ST	891008900A	430473470900S1
NBU 434	14-10-21 SENE	UTU465	891008900A	430473448100S1 ✓
NBU 435	28-9-21 NWNW	UTU0576	891008900A	430473480500S1
NBU 436	30-9-21 SWNE	UTU0581	891008900A	430473478000S1
NBU 438	33-9-21 SWNW	UTU015630-ST	891008900A	430473478700S1
NBU 439	34-9-21 NENW	UTU01194-A-ST	891008900A	430473478600S1 ✓
NBU 440	34-9-21 SWNW	UTU01194-A-ST	891008900A	430473478500S1
NBU 441	35-9-21 NWNW	UTU01194-A-ST	891008900A	430473479100S1
NBU 442	35-9-21 NWSW	UTU01194-A-ST	891008900A	430473478800S1
NBU 443	35-9-21 SENW	UTU01194-ST	891008900A	430473478900S1
NBU 444	1-10-21 SWSW	UTU02842B	891008900A	430473479600S1
NBU 445	30-9-21 NWSE	UTU0581	891008900A	430473486700S1
NBU 446	8-9-21 SENW	UTU0149767	891008900A	430473462100S1 ✓
NBU 448	22-9-20 NWSW	UTU0577B	891008900A	430473478200S1
NBU 452	8-9-21 SWNE	UTU0149767	891008900A	430473487500S1
NBU 453	8-9-21 NWSE	UTU0575B	891008900A	430473481600S1
NBU 454	28-9-21 NWSE	UTU0576	891008900A	430473469800S1 ✓
NBU 455	29-9-21 SWSE	UTU0581	891008900A	430473469900S1 ✓
NBU 456	22-9-21 SESW	UTU010950A	891008900A	430473481800S1
NBU 457	22-9-21 NESE	UTU010950A	891008900A	430473481700S1
NBU 458	23-9-21 SENW	UTU0149075	891008900A	430473481900S1
NBU 459	27-9-21 NESE	UTU01194A-ST	891008900A	430473468000S1 ✓
NBU 460	30-9-21 SENE	UTU0581	891008900A	430473469700S1 ✓
NBU 461	14-10-22 SWNE	U01197A-ST	891008900A	430473482300S1
NBU 462	15-10-22 SENW	U-01196-A	891008900A	430473483900S1 ✓
NBU 463	15-10-22 NWNE	UTU025187	891008900A	430473484000S1
NBU 464	15-10-22 NENW	U025187	891008900A	430473484600S1
NBU 465	29-10-22 NWSW	SL070220A	891008900A	430473486000S1 ✓
NBU 466	32-10-22 NWNE	ML22798	891008900A	430473482400S1 ✓
NBU 468	11-10-21 SENW	UTU0149080	891008900A	430473485600S1
NBU 470	7-10-22 SWSE	UTU466	891008900A	430473483300S1
NBU 471	17-10-22 NWNE	UTU01196E	891008900A	430473483400S1
NBU 472	32-10-22 SWNE	ML22798	891008900A	430473489600S1 ✓
NBU 492-7E	7-9-21 LOT 1	UTU0149767	891008900A	430473421700S1
NBU 922-36I	36-9-22 NESE	MS22650	891008900A	430473510700S1 ✓
UTE TRAIL 083X	9-10-22 SENE	UTU01196D	891008900A	430471538800S1
UTE TRAIL 088X	2-10-21 SESE	ML13826	891008900A	430471538900S1 ✓

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**1/6/2006**

**FROM: (Old Operator):**

N2115-Westport Oil & Gas Co., LP  
 1368 South 1200 East  
 Vernal, UT 84078

Phone: 1-(435) 781-7024

**TO: ( New Operator):**

N2995-Kerr-McGee Oil & Gas Onshore, LP  
 1368 South 1200 East  
 Vernal, UT 84078

Phone: 1-(435) 781-7024

**CA No.**

**Unit:**

**NATURAL BUTTES UNIT**

**WELL NAME**

**SEC TWN RNG**

**API NO**

**ENTITY**

**LEASE**

**WELL**

**WELL**

**NO**

**TYPE**

**TYPE**

**STATUS**

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: \_\_\_\_\_

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.

KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203

BIA BOND = RLB0005237

APPROVED 5/16/06

Earlene Russell

Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RANDY BAYNE

Title

DRILLING MANAGER

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06

Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED

MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Date

5-9-06

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
KERR McGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:  
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:  
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 345'FNL, 1687'FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 9S 21E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: MAINTENANCE
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

9/14/06 PROG: 7:00 A.M. HSM. ROAD RIG & EQUIP F/ NBU 921-31E TO LOC. MIRU. SICP 300#, BLEED PSI DWN. NDWH. NU BOPE. R/U PMP & LINES. PMP 120 BBLS 2% KCL DWN TBG TO CONTROL WELL. UNLAND TBG. L/D TBG HANGER & POOH W/ 78 STANDS TBG. FOUND LIGHT SCALE ON O.D. & I.D. OF TBG. CALL FOR ACID. MIRU NALCO. PICKLE TBG W/ 6 BBLS 15% HCL. DISPLACE W/ 20 BBLS 2% KCL. CONT TO POOH W/ TBG L/D BHA. X-O P/U 3 7/8" MILL, POBS & RIH W/ TBG. EOT @ 4800'. SWI. SDFN

09/15/06 PROG: 7:00 A.M. HSM. BLEED WELL DWN. R/U PMP TO TBG. PMP 30 BBLS 2% KCL DWN TBG TO CONTROL WELL. CONT TO RIH W/ TBG F/ 4800'. (DID NOT SEE ANY SCALE). TAG FILL @ 8198'. R/U WEATHERFORD AFU. ATTEMPT TO BRK CONV CIRC. PSI UP TO 1200# UNTIL POP OFF. R/U RIG PMP. PSI UP TO 3000#. (TBG PLUGGED). ATTEMPT TO FREE PLUG W/O SUCCESS. BLEED PSI OFF TBG. X-O POOH W/ TBG. L/D BIT SUB. (FOUND SCALE FINES IN POBS). P/U R-PROFILE S.N. & RIH W/ TBG TO 6211'. WELL BLEW IN. SWI. SDFN @ 6:00 P.M. (HIGH WINDS)

09/18/06 PROG: HSM. MU WELL TO FBT. MU PMP TO TBG, PMP 30 BBL 2% TO KILL WELL. CONT TO RIH W/TBG FROM 6211' TO 7849'. PU HNGR, LND TBG. ND BOP, NU WH & FL. TURN WELL OVER TO PROD (DON DeH). RD RIG, RACK OUT EQUIP, ROAD RIG & EQUIP TO NBU 309.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 10/31/2006

(This space for State use only)

RECEIVED

NOV 07 2006

DIV. OF OIL, GAS & MINING